

HINE connoisseurs' cognac

FINANCIAL TIMES

No. 27,075 Friday September 17 1976 **10p

LEOPOLD FARMER & SONS Estate Agents & Valuers COMMERCIAL AND INDUSTRIAL PROPERTY, PLANT & MACHINERY

NEWS SUMMARY

Equities and gilts weaken; gold up

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Bank tightens policy by calling £350m. special deposits

BY MICHAEL BLANDEN

The Bank of England yesterday tightened its monetary policy further by calling an extra £350m. of special deposits from the banks and finance houses.

Pound has floated freely for week

BY SAMUEL BRITTON

The sterling exchange rate has been floating freely without any major official intervention for over a week.

Plans drawn up for more industry aid

BY ADRIAN HAMILTON

THE GOVERNMENT is preparing to increase direct assistance to industry by a further £200m. largely in the form of selective assistance under Schedule 8 of the Industry Act.

German expert to examine crippled blastfurnace

BY ROY HODSON

A SENIOR engineer from the Wittenberg-based maker of the refractory bricks used in the crippled blastfurnace at Llanwern, South Wales, was on his way from Germany last night to investigate the causes of the furnace shutdown.

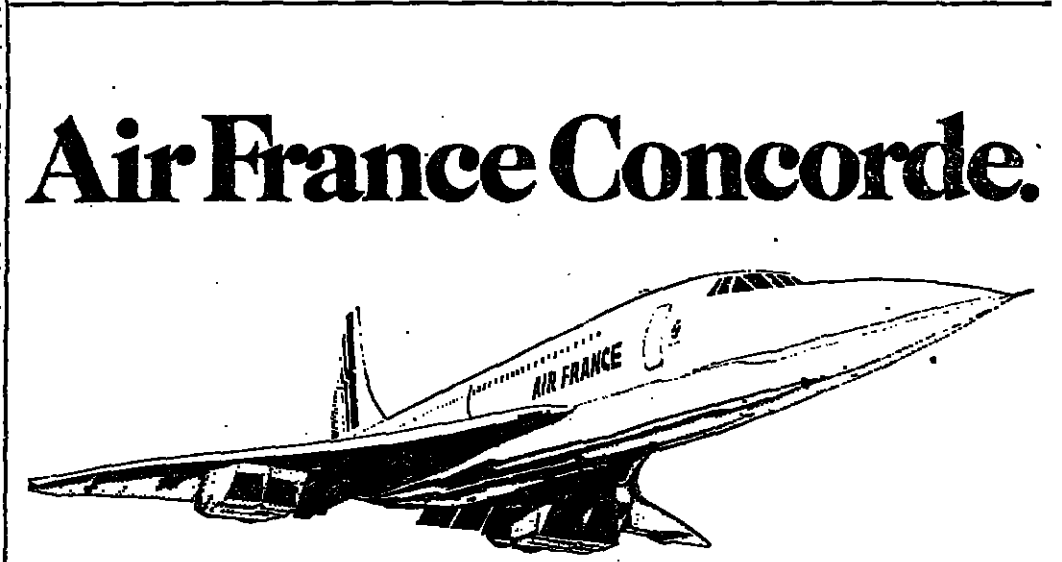
Measures

During the week of free floating the pound has fallen by over 3 cents against the dollar and about 2 points against the offered weighted average of currencies.

Leyland go-ahead for Mini

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

BRITISH LEYLAND'S controversial plans for a new Mini have finally been given the go-ahead by the group's main Board.



The rest will follow.

We started with Rio. Within months we'd added Caracas and Washington to the Air France Concorde network. There's also a special Rio-Sao Paulo connection.

Table with 2 columns: Item, Price Change. Includes items like Dtd, Peterborough, etc.

Table with 2 columns: Item, Value. Includes items like Overseas News, Priced Holdings, etc.

AIR FRANCE Concorde A new world of flying. 155 New Bond Street, London W1. Reservations 01-499 9111. Ticket Office and Passenger Sales Dept 01-499 0011.

2
LOMBARD

Waiting for the boom

BY PETER RIDDELL

MR. DENIS HEALEY, the Chancellor of the Exchequer, has had his fair share of luck with the economic indicators this year, but this now seems to be running out. Only two months ago, he could talk, with only a very few dissenting voices, about a "very rapid rate of increase" in manufacturing production and a "vigorous growth" in exports. This provided the appropriate background for his more contentious justification of the spending cuts on the grounds of the need to shift physical resources into industry. The international confidence and monetary ease always looked more important as is now all too apparent.

Threadbare

But even on the basis of his own argument Mr. Healey's comments at the end of July are now beginning to look rather threadbare, raising questions not only about the pace of the recovery but also about whether this upturn is different in essence from those of previous cycles.

The latest industrial production and trade figures cast doubt on the more optimistic of the Chancellor's earlier hopes, even if it is hardly possible to be conclusive on statistics evidently so distorted by the changed pattern of holidays, the hot weather and the drought (before Denis Howell's incoherence as Plinius). The traditionally cautious Central Statistical Office is still, however, able to point to the probability of a continuing rise in industrial output in recent months. And even while stressing difficulties of interpretation, the Bank of England Quarterly Bulletin suggests that after a temporary pause, output should continue to expand, though possibly at a somewhat more moderate pace than earlier this year.

But perhaps most significant of all is yesterday's report of anecdotal evidence coming into CBI regions and headquarters indicating that many companies feel that the pace of recovery is slackening with all that this means for the possibility of a substantial reduction in unemployment.

There have, of course, tended to be alternating phases of general optimism and pessimism this year—and at similar periods of previous cycles—and it is neither safe nor sensible yet to write-off the potential for further recovery. A lot will clearly depend on the rate of growth of the world trade; and despite the pick-up so far, manufacturing output

is still more than 9 per cent below trend—raising even more doubts about the "resources" rather than the clear monetary or confidence need for the spending cuts.

This recovery is certainly proceeding in a different way from the upturn in 1973-74. This is not only because the stimulus has, and is expected to, come from the growth of exports, stockpiling and, next year higher investment in manufacturing rather than from the growth of personal consumption and private and public sector services. Monetary policy is also different, as was highlighted again yesterday with the call for special deposits.

But the contrast is more fundamental as a specific result of the 1973 boom and the 1974 financial squeeze. These experiences have not only produced an obvious effect all round to avoid a repetition of events such as the property boom but have also led to a greater degree of caution on the part of borrowers.

Mini-upturn

The profits and liquidity squeeze in 1974-75 may have created a "safety first" attitude on the part of companies since they are primarily concerned to protect their profit margins rather than to expand volume. This would be consistent with the sharp rise in export prices since the start of the recent depreciation and the absence of any net deterioration in the terms of trade over the last six months, in contrast with previous falls in sterling.

On this view, the boost so far has come mainly from the end of destocking, while the forecast rise in investment merely reflects a pick-up from a very low base rather than the possibility of a prolonged major rise.

A mini-upturn may be the price we—and the rest of OECD—are having to pay for our rate of inflation. Even if the pessimists are proved wrong and growth is resumed, though possibly at a slower rate than earlier in the year, the implications are hardly reassuring for Mr. Healey.

The prospects for unemployment certainly look grim and though there may be an element of ritual in the TUC reaction to the monthly figures, the pressures for import controls are not going to let way. It looks as if the sooner we are in the avuncular care of the IMF the better.

RACING

Shuffling could win Cup

IN ONE of the most open races in its 170-year history to-day's Burmah/Castrol-sponsored Ayr Gold Cup could find to any one of the 18 sprinters in the line-up.

In spite of the strong claims of such high-class performers as Roman Warrior, High Award and Sweet Nightingale, 1 believe that the winner will probably come from one of the half-dozen lightweights who have recently been showing signs of returning to winning form.

One in this category is Walter Wharton's tough St. Chad gelding, Shuffling. Shuffling, a compact, well-proportioned chestnut, who has always shown his smartest form in the autumn, ran his best race since last November when chasing home those speedy stablemates Sandford Lady and Delta Song in the Playboys trophy at York on the first of October.

Always going well, he looked capable of giving the Fintona pair plenty to do when quickening to challenge a quarter of a mile from home. However, he failed

to produce the necessary pace inside the final furlong and was comfortably beat in third place.

Shuffling, who might have given the much improved Sandford Lady plenty to think about, had the ground not been riding

Gold Cup with Roman Warrior and the talented Persian Breeze, the course's leading trainee, Nigel Angus, should clock up at least one success because Dine Jockey and Mafin Court both appear as likely winners.

Disc Jockey, who found no difficulty in opening his account at the second time of asking when easily disposing of the favourite, Red Seed, in the Sandgate Stakes at Newcastle three weeks ago, ought to have few problems in the Cople Stakes but Mafin Court will find Confessor a formidable opponent in the Ladbrokes Stratclyde Handicap.

Mr. Eddy has opted in favour of Newbury, where his best prospect seems to be Steven Barrows' representative Night Before in Division I of the Beenhaven Maiden Stakes.

Night Before, a bay colt by Vagabond, a half-brother of What a Pleasure's half-sister, Quick Flight, has improved considerably as a result of his initial outing in York's Acorn Stakes and appears as the day's best bet.

SALEROOM

BY ANTONY THORNCROFT

Glass and china sold

SOTHEBY'S BELGRAVIA held an extraordinary successful auction yesterday, selling European glass and Continental ceramics for £68,940, with almost every lot going. The high prices were mainly attributable to the strong bidding from both the Japanese, and an Iranian dealer.

The top price was the £25,500, almost three times the estimate, for a large Berlin plaque painted by Zapf in Dresden in 1875 and showing a girl with a cockatoo.

The glass was also in demand—a mid-19th century Bohemian overlay vase went to the Iranian buyer for £2,200, against the £1,000 estimate. A pair of vases of £250-£300. He also paid £1,350 for a silvered and gilt decanter, a tumbler, and the same period.

The exceptional prices extended right across the auction and even included earthenware, rarely sold at Sotheby's. As an example of the demand for a large pair of vases, figures of the late 19th century were sold to a London dealer for £1,450. A year ago a very similar pair fetched £400.

At Stanley Gibbons, the second day of a three-day auction of Great Britain stamps added a further £30,000. An unused marginal block of 16 Penny Reds sold for £200, and a strip of three and a block of four wopenny Blues on a letter made £480.

Christie's does not start auction at its main King Street saleroom until the week after next, but it is busy at South Kensington, and yesterday a sale of dolls and toys produced a very good total of £15,529, around £4,000 more than was expected.

Post Office slim

directories

SLIMMER postcode directories to be introduced by the Post Office will cut the shelf space required for a complete set of directories by one-third—from 12 metres to one metre.

The first directories will appear towards the end of the year for the Enfield, Newcastle, Twickenham and Watford areas and will be introduced throughout the country as existing books fall due for renewal.

The yellow-page sections which list businesses and other large users of the post under the name of the town in which they operate will be amalgamated into one alphabetical list for the whole directory.

Alterations in page size in international and more modern typographical layout will allow more entries to a page and the new books will be cheaper to produce.

Postcode directories are supplied free to businesses and large users of the post and are available at main post offices and many public reference libraries.

The fees for registration as a U.K. citizen go up from £10 to £25 or £25 to £35.

The fees were last increased in April last year.

IT WILL COST more to become British from October 1 when the Home Office puts up naturalisation fees for foreign nationals from £40 to £70.

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APPOINTMENTS

Mr. G. Chandler will become Shell main Board director

Mr. G. Chandler, group trade relations co-ordinator and a director of Shell International Petroleum Company, has been appointed a director of the SHELL PETROLEUM COMPANY and SHELL PETROLEUM NV from October 1.

Mr. Lewis Cooke and Mr. William Hewitt have been appointed directors of NATIONAL WESTMINSTER BANK. Mr. Cooke is general manager of its business development division, while Mr. Hewitt is general manager of the financial control division.

Mr. A. D. R. Sproul becomes marketing and export sales director and Mr. D. F. E. Gwynne becomes service director of COVENTRY CLIMAX, part of the Leyland Special Products Group, from October 1.

Mr. Maurice Ashill has been appointed executive director of the MANAGEMENT CONSULTANTS ASSOCIATION from October 1. Mr. Ashill at present secretary-general of the British Computer Society will succeed Mr. Robin McGarrell-Groves at the MCA.

Mr. Peter Carlyn Rees has been appointed an assistant general manager of BARCLAYS BANK INTERNATIONAL. He was previously a general manager's assistant.

Dr. David Whitehouse, chief research engineer with Bank Taylor Hobson, part of the Rank Precision Industries division of the Rank Organisation, has been elected president of the Technical Committee on Surface Metrology of the INTERNATIONAL INSTITUTION FOR PRODUCTION ENGINEERING RESEARCH.

Mr. Malcolm C. Vasey, who joined the company in 1974, has been appointed a director of the BOARD OF SHOWROOMS OF LONDON.

Mr. Alex Parker has been appointed chief Press officer of the POST OFFICE in succession to Mr. Kenneth J. Lay, who retired on September 30. Mr. Parker has been with the Post Office for nine years, the last two as senior Press officer.

Mr. John Buck has been appointed a local director for Cardiff district of BARCLAYS BANK.

COSMOS has announced the following Board changes: Mr. Whitford, previously managing director, becomes chairman, Mr. Sid Silver, who is being brought in as managing director, and Mr. Andy

Sawicki, who joins as overseas director, were formerly partners in their own tour operating company. Internally, Mr. Dave Stafford, executive manager, operations, and Mr. Michael Austin, chief accountant, have been promoted to the Board. Mr. Steve Pugh retains the post of sales director, which he has held since 1970.

BASF UNITED KINGDOM has reformed its chemical sales operations into a new Chemical Division, of which Mr. J. A. East has been appointed director.

Mr. R. Hong has been appointed managing director of NEW DAY FURNISHING STORES and its subsidiaries. Mr. Hong was previously commercial director.

Mr. E. Hayward has been appointed director-financial operations of CONOCO. Previously assistant treasurer of CONOCO Europe (now Conoco Oil Company), Mr. Hayward joined Conoco in 1970 as treasurer.

Mr. John Hall, a director of the LAND SECURITIES INVESTMENT TRUST, has been appointed deputy chairman.

Mr. R. J. H. Parkes has been appointed to the Board of RUBBER OVEN HOLDINGS as a non-executive director.

HORSEACE BETTING LEVY BOARD. Mr. J. G. Marriage, a Recorder of the Crown Court, has been appointed a part-time member for one year. Mr. T. D. G. Munro has been reappointed a member for a three-year period.

Lord Greenwood of Rossendale has been elected president of the BRITANNIA BUILDING SOCIETY to devote more time to the voluntary housing movement. Lord Greenwood, a former Minister of Housing and Local Government, will remain a director of the Society.

Mr. Henri H. Simons, director of GRUMMAN INTERNATIONAL'S EUROPEAN operations, has been appointed a vice-president of the company in 1970 as its senior sales representative, based in Germany, and transferred to London in 1971 to head Grumman International's activities in Europe.

Mr. Stephen Murphy has been appointed a programme officer at the INDEPENDENT BROADCASTING AUTHORITY to assist in the general supervision which the Authority exercises over the Independent Television service. Mr. Murphy previously worked in

the Authority's headquarters programme division from 1966. From 1971-73 he was secretary of the British Board of Film Censors.

Mr. D. Rogerson, previously executive director of DOB, has been appointed to the Board as expert sales director. Mr. M. J. A. Butcher, previous export sales manager, is now a cliche director-exports.

Colston Appliances, the gro holding company, has reformed its original name of CHARTER COLSTON GROUP and four directors join the Board. They are: Mr. David Reid (managing director, Reid and Timpon), Mr. David Reid (managing director, Reid and Timpon), Mr. David Reid (managing director, Reid and Timpon), Mr. David Reid (managing director, Reid and Timpon).

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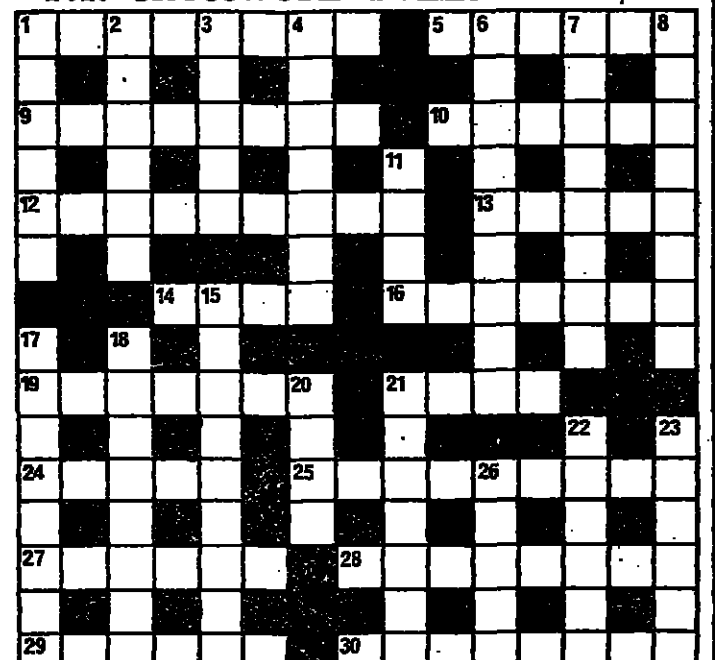
TV/Radio

BBC 1

7.05 a.m. Open University (UHF only). 12.45 p.m. News. 1.00 Pebble Mill including Dig This. 1.45 Camberwick Green. 3.20 Meddler. 4.30 Regional News (except London). 5.55 Play School. 6.20 The Wombles. 6.45 Jackanory. 7.40 Why Don't You...? 8.10 The Singing Ringing Tree. 8.35 Noah and Nelly in SkyArk. 8.40 News. 8.55 Nationwide. 9.45 Sportsworld. 10.05 Tom and Jerry. 11.10 It's a Knock-out.

8.30 The Good Life. 9.00 News. 9.25 Harry O. 10.15 To-night. 10.45 Weather/Regional News. 10.47 The Friday Film: "The Adventurers." All Regions as BBC 1 except at the following times: Wales—1.45-2.00 p.m. Nant-y-Pant. 5.55-7.05 Wales To-day. 7.10 Reddell. 7.20 The Ellyery Queen. 8.20-8.30 Beauty Is in the Eye. 10.15 Kane on Friday. 10.45-10.47 News and Weather for Wales. Scotland—5.55-7.05 p.m. Report. 10.15 Wodehouse. 10.45-10.47 News and Weather for Scotland.

F.T. CROSSWORD PUZZLE No. 3,185



- ACROSS
- 1 Trains the first of them to make packing-cases (3,4)
 - 2 Chap taking time to control (6)
 - 3 Being impractical I trade just one way (8)
 - 4 Was he dead? No, just clean (6)
 - 5 ... and cleaner the French disrobe (9)
 - 6 Singer in Lenten Oratorio (5)
 - 7 Drink making me take notice (4)
 - 8 ... and look at side indicated for loss of liquor (7)
 - 9 Caught second - mentioned making a noise (7)
 - 10 Soldiers get note and charge (4)
 - 11 Left and dined right afterwards (5)
 - 12 Scheming to produce part of a meal one way (9)
 - 13 ... and stir up to make it (6)
 - 14 Working hard and engaging in corrupt practices (8)
 - 15 Agrees to change the lubricant (6)
 - 16 Looked all over for listener caught in shed (8)
- DOWN
- 1 Dally with a sweet (6)
 - 2 The way to a meeting place (6)
 - 3 Oriental in wrestling grip could be sunk (5)
 - 4 Stop for a time for us to come up and pay out (7)
 - 5 Separate people start taking (9)
 - 6 Capitalist gets one then I get one (8)
 - 7 Signs for one dress to be altered (8)
 - 8 Employs us to take directions (4)
 - 9 Go in before it is uncomfortable inside (9)
 - 10 Climbing round capital of Denmark and getting into hot water (8)
 - 11 Soft item or a little hard (8)
 - 12 Regret admitting duke and being discourteous (4)
 - 13 Book a place for game (7)
 - 14 Camper's shelter shows distress with cold and hunger (6)
 - 15 Put on all-male edition (6)
 - 16 Proposal of iron resistance (5)

SOLUTION TO PUZZLE No. 3,184

TRANSPIRANCIES
RELAY AFFAIRS
KATISMA SUTWELL
SPIDER INSTANTER
MASTERMAN ERMIE
RELAYS MOTUSSE
KARRAGGUA NUDES
AKES ILE
LOSESTHRECORD

BBC 2

6.40 a.m. Open University. 9.30 Liberal Party Assembly. 11.00 Play School. 11.25 Liberal Party Assembly, further coverage, and at 2.00 p.m. The afternoon's debates. 5.00 Open University. 7.05 Animal Marvels. 7.25 Weather. 7.40 News. 7.50 Settle the Score. 8.30 Centre Play Showcase. 9.00 Pot Black. 9.20 Beethoven: the Late 10.15 Five Red Herrings. 11.05 Newsnight. 11.20 Closedown: John Rye reads "Little Peace" by Elizabeth Jennings.

LONDON

10.00 a.m. Hammy Hamster's Adventures on the River Bank. 10.15 Animated Classics: "Kidnaped." 11.00 Liberal Party Assembly. 11.20 Quiz. 12.10 p.m. Mister Trumble. 12.30 Tell Me Another. 1.00 News, plus Weather, FT index. 1.20 Lunchtime Today. 1.30 Morning Personal. 2.00 Good Afternoon Money-Go-Round Special. 2.25 Racing from Ayr. 3.50 Emmerdale.

will be the director

Emile Belcourt and Elizabeth Connell as Herod and Herodias in the revival of the English National Opera's 'Salome' at the Coliseum last night

Fishing

by B. A. YOUNG

Cancer. Michael Weller's first play to be seen here, *Black Moonchildren* (for America), is one of the very few plays about hip youth that I can remember which took its characters out of the world of cliché and plumbed the depths of their personalities. The characters, who have consisted of the two most common four-letter expletives, was so moving that almost for the first time I found myself convinced of the justification of their use.

Mr. Weller's *Fishing* takes similar people a stage further in the direction of the real. Bill, a slow-witted, violent-tempered young man, lives in a run-down cabin on the Northwest Pacific coast with his girl Shelly, not quite so slow and far more sentimental, and Robbie, a friend of his own age who works on his rich father's money. They are visited by Dane, a young architect who must seem as hippy as Bill to his professional friends but who seems very square to Bill and Shelly, and his wife Mary-Ellen, a simple but not stupid girl who lets children in an attempt to get on equal terms with the others, explored their behaviour with such understanding that by the play's end the two are as warmly and as sharply contrasted as people in Ibsen or Strindberg. I say "by the play's end" because it is a deliberately gradual process; there is nothing in Robbie's summation first scene to suggest that he cynically he will achieve intellectual superiority above his friends, and distressed, deep down, that he can find nothing better to do in life than idly away on paternal charity. You wouldn't know from that scene how deep are the reserves of brutality in Bill's nature, or how much more things are shown than they are, in fact, the qualities, on reflection, are there, latent, from the beginning.

And all this is effected with the poverty-ridden commonplace of the American young, spoken. It seems to me, with considerable confidence, that it guarantees any kind of phonetic subtlety. It is mastery; and it is gripping.

Robert Walker and Gwen Taylor play Bill and Shelly, he

blockish and crude, she a prey to simple sentimentalities that can reduce her to tears over a dead chicken. Strain Robbie as Robbie has, the additional task of revealing his intelligence by degrees; he is particularly good in a clever scene set in Joe's room, where he is talking to another at 10 feet distance, but played, in the manner of *Black Moonchild*, with everything to be seen.

Dane and Mary-Ellen are less complex in nature. Mr. Weller is adept at the use of three-dimensional, or two-and-a-half-dimensional, characters, to each of whom he gives a little more than he plays by Philip Sayer and Pamela Museivitch. Actual two-dimensional characters are Rory, a drunk who works in the local graveyard, and Relly, the sick old man with the beard for sayer, who is taken with a stroke the night amount of colour by Peter Attard and John Barrard.

Robert Walker also directs, with help from Henry Woolf, and there is a simple, atmosphere set uncredited in the programme.

Schubert & Mozart

milk than he thought it should, now intends to buy a boat from a local man and take up commercial salmon-fishing. Though he is a member of the boat club, his life. The boat is offered at \$1,500 and there is \$21 in the bank, but things like that do not discourage him.

The play follows this group through their activities for a single day. The situation is not developed far, indeed, although the author suffers us a slightly blurry conclusion, what ultimately happens is not of much consequence. What gives the play its uncommon merit is Mr. Weller's insight into his characters.

They are all of them from the class of young people who not only are in formulae, but who think in formulae as well, some of them because they have no other capacity, some because it is the done thing. Moreover, during most of the time they are under observation, they are high on peyote buds that Shelly bought at the supermarket. They should have been buying food.

From such unpromising material Mr. Weller has built four clear-cut personalities and

.As they enter their fifth season, the English National Orchestra, second best in the world, establishes themselves among the major London orchestras. According to a note in the programme for their concert on Wednesday, the ENO are principally distinguished from rival bands by the fact that a certain number of concerts each season are given by their "chamber section," as was the case of the first. It is a strange boast, that sometimes the fields reduced ten. In any event, the concert revealed other ways in which the ENO are distinguished from the better-known orchestras.

To begin with, and this may not be surprising, the ENO have little corporate style. They are a group of players; they play; and that is all. It was significant that the cellos were only properly audible at those moments when the conductor, the Belgian Dirk Vandendonek, turned with some care to egg them on. The violins were true, trustworthy, but they did not escape passages of dubious ensemble, nor did they make much effort

to integrate themselves with the rest. The wind group, lacking in rhythmic quality and distinction, remained for the most part a milky pool somewhere in the distance.

None of these defects proved disastrous; the effect was just of lustreless mediocrity. That, however, was enough to give a very disappointing impression in a programme which consisted of Schubert's Symphony No. 5, *Sinfonia in G*, two examples of A major Mozart, the Piano Concerto K.488 and the Symphony No. 39. All of this music cries out for graceful and affectionate playing, but here the orchestra took it at a uniform trudge.

Yet there was something to make the evening worthwhile, and that in the performance of Julia Cload in the concerto. She showed all the life and musicality that were en-missed in the orchestra's contributions, though she was not at all a vitaeolus interpreter of Mozart, indeed, it was an excellent point in her performance that she was not more supremely witty with out any suggestion of affect.

PAUL GRIFFITHS

International Celebrity Series

The Berlin Philharmonic Orchestra under Herbert von Karajan, the Orchestre de Paris with Daniel Barenboim, the Hungarian State Symphony Orchestra directed by Janos Ferencsik, and *world-famous* soloists, Claudio Arrau, Yehudi Menuhin, Mstislav Rostropovich, Isaac Stern, Henryk Szeryng, Itzhak Perlman, Galina Vishnevskaya, and Pinchas Zukerman. These artists, just coming from the 1976-77 International Celebrity Series organised by Impresarios, Ian Hunter of Harold Hill, and Victor Hochhauser, details of which were given at the London news conference yesterday.

In addition to the artists and orchestras from abroad, however, Britain is strongly represented in the series by the London Symphony Orchestra, Philip Davis, Charles Mackerras and Vernon Handley, pianists John Lill and Alan Schiller, violinist Carl Pini—and four London orchestras, the Philharmonic, London, the Philharmonic, London Symphony, and Royal Opera House Orchestras.

The series of eight concerts at the Festival Hall begins next week with two performances by the Orchestre de Paris and Daniel Barenboim on September 20 and 21. These are followed by the Orchestre de Paris on October 8 with Rostropovich playing the piano and cello with his wife, Galina Vishnevskaya singing songs by Glinka, Rachmaninov, and Stravinsky. The two violins of Itzhak Perlman and Pinchas Zukerman are heard on October 10. The first new year the Berlin Philharmonic conducted by Herbert von Karajan will give two concerts on June 13 and 15. The final concert in the Festival Hall series will be a recital by Claudio Arrau on June 20.

The series is headed by Albert Hall, but with an all-British concert on October 3 with the London Symphony Orchestra,

Charles Mackerras and John Lill. The New Philharmonia give two concerts on October 17 and 31, first with Perlman and Zukerman, and then with Szeryng and Handley. November 21 sees the arrival of the Hungarian State Symphony Orchestra and 1977 is heralded by a New Year all- Chopin recital by Daniel Barenboim on January 2. Two weeks later, on January 16, Rostropovich conducts the London Symphony Orchestra in Verdi's Requiem, while Isaac Stern plays two concertos with Colin Davis and the Royal Opera House Orchestra on January 23.

To commemorate the 150th year of the birth of Beethoven, Daniel Barenboim and the London Philharmonic Orchestra perform a cycle of all nine Symphonies at four concerts—March 8, 10, 12 and 13, the last featuring the "Choral" Symphony with soloists Jill Gendall, Sandra Browne, David Renze and Gwynne Howell, and the London Philharmonic Chorus.

First prizewinner at the last London International Piano Competition, Russian-born Dmitri Alexeev, will feature in the final concert at the Albert Hall on April 3 playing Chaiikovsky's First Piano Concerto.

A series of special concerts to celebrate Queen's Silver Jubilee will be held at the Festival Hall 5-12, featuring Yehudi Menuhin and a spectacular military band salute on the 26th anniversary of Her Majesty's Coronation.

Jewish film and television festival

The first World Jewish Film and Television Festival will be held in Jerusalem from October 24 to 30. It will be the screening of 50 films, a symposium on TV and film and an exhibition of audio-visual equipment.

Royal gala at Sadler's Wells

Princess Margaret is to attend a ballet gala given by the Royal Ballet at Sadler's Wells Theatre on Wednesday, September 29. Dame Ninette de Valois will introduce the programme, which commemorates the 35th anniversary of the death of constant collaborator and architect of the Royal Ballet. Among the artists appearing are Lynn Seymour, Doreen Wells, Donald Macleary and two guests from the New York City Ballet, Violette Verdy and Helgi Tomasson, who will dance the Balanchine *Pas de deux*. The proceeds of the evening will go towards the rebuilding of the rehearsal room for the Royal Ballet at Sadler's Wells to be named in memory of John Cranko.

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WORLD TRADE NEWS

Japan 'facing crisis' on invisible trade deficit

BY CHARLES SMITH

TOKYO, Sept. 16.

THE GROWTH in Japan's invisible trade deficit since before the 1973 oil crisis has been greater than anything of the kind ever experienced by other major industrial nations and could come to constitute a major economic problem.

This is the judgement of Mitsubishi Bank, one of the top four Japanese foreign exchange banks, which devotes an article to the subject in the September issue of its Journal.

Mitsubishi quotes figures which show that Japan's invisible deficit grew by \$3.47bn. (from \$1.85bn. to \$5.35bn.) between 1972, the last "normal" pre-oil crisis year, and 1975.

The next biggest invisible deficit among major industrial countries is that of West Germany, but the West German deficit grew over the same period by a considerably less alarming \$2.6bn.

Mitsubishi also makes the point that, whereas the West German invisible deficit is equivalent to only about 20 per cent. of the country's surplus on visible trade, Japan's invisible deficit last year was almost equal in value to its trade surplus (\$5.3bn. for the invisible deficit versus the trade surplus of \$5.8bn.).

In 1971 and 1972 when Japan was running trade surpluses in the region of \$8bn. to \$9bn., the invisible deficit was of the order of \$2bn. so that the visible surplus enormously exceeded the amount of foreign exchange siphoned out of the country by expenditure on invisibles.

Mitsubishi evidently considers that the shift towards a position of virtual equality between the deficit on invisibles and the surplus on visibles represents a structural change in the Japanese balance of payments which could be exceedingly hard to reverse.

The main reasons for the sharp rise in the invisibles deficit between 1972 and 1975 are cited by Mitsubishi as heavier expenditure on shipping, including in particular a shift towards increased chartering of foreign

vessels by Japanese shipping companies, increased overseas travel by the Japanese (but no real increase in foreign travel to Japan), a swing from a positive to a negative balance on the Overseas Investment Account, and a big increase in the deficit on services.

Taking the shipping account first, Mitsubishi puts the negative balance on chartering and freight expenditure at \$1.98bn. last year compared with \$963m. in 1972. By far the greater part of this increase, the bank reports, comes from increased chartering expenditure where the negative balance grew from \$621m. to \$1.65bn. over the three-year period.

Shipping companies have also been driven into overseas chartering as a means of "getting out of the yen" and thus avoiding exchange risks. A company operating Japanese-registered ships has yen liabilities but continues to earn dollar assets since the greater part of Japan's foreign trade is still denominated in terms of dollars.

Under the heading of investment, Mitsubishi points out that Japanese overseas direct investments are earning a lower rate of profit than foreign investments in Japan (6.1 per cent. versus 14.3 per cent. in 1975). The point is also stressed that the dependence of Japan on short term dollar financing of its imports involved the Japanese foreign exchange banks in punitive heavy interest payments in the period after the oil crisis.

The negative balance on foreign travel in and out of Japan increased from \$573m. in 1972, Mitsubishi reports, to \$1.1bn. in 1975, largely because of a big increase in the number of people travelling outside Japan (up from 1.4m. people in 1972 to 2.4m. last year). The Japanese Government attempted to control overseas travel by expending more on shipping, the oil crisis by lowering the ceiling on permissible overseas expenditure per trip.

Mitsubishi says the obvious way to deal with the invisibles deficit is to go on increasing the surplus on visible trade so as to ensure a continuing balance or surplus on current account. The bank admits, however, that Japan's trading partners are probably not prepared to put up with this approach any longer so that other solutions have to be considered.

One possibility is to change the structure of Japan's economy towards the low raw material consuming model typical of European economies including West Germany.

Another need, the bank says, is to continue with the process of internationalising the Yen so that Japanese banks and shipping companies are not forced into expensive transactions involving shifts between different currencies.

A third requirement is to continue "steadily" with overseas direct investment to the point where investments become a source of revenue for Japan instead of the drain on resources it is at present. These and other changes however will inevitably take time so the bank expects continuation of the heavy deficit on invisibles.

Steel talks

Kobe Steel said yesterday that it would continue negotiating with Abu Dhabi on the construction of a 400,000 tonne annual capacity steel mill in the Emirate, but it declined to say whether it would reduce its proposed compensation for running the mill.

Iron-ore plan

Canadian Met-Chem, an engineering affiliate of the U.S. Steel Corporation here, and designers of the \$550m. Mount Wright iron project just being completed in north-eastern Quebec, will build a \$800m. open-pit iron ore mine, concentrator and slurry pipeline for the State-owned Kudremukh Iron Ore, near Bombay.

£3m. sales push for wool suit industry

The London-based International Wool Secretariat is to spend some £3m. on a co-ordinated campaign in major Western countries over the next year aimed at promoting pure new wool suits for men.

The campaign which was launched in London yesterday follows a year's preparatory work by the IWS with leading cloth manufacturers.

The promotion is the biggest undertaken by the IWS since the launch of the woolmark in 1964 and is being backed by a further £1.5m. made available by manufacturers and retailers.

The IWS which is sponsored by the leading wool growing countries is making its move in the belief that current trends are running in favour of a return to more formal wear, particularly among the young.

Hong Kong quotas

Hong Kong's Department of Commerce and Industry, which regulates exports to countries with which Hong Kong has bilateral trade arrangements, has made minor changes in its textile quota system following a row over quotas. Critics had argued that some major quota holders were not bothering to manufacture at all, but they just sold their quotas, at a profit.

Turkey award

Italsurade-Torno has won a contract, valued at £350bn. to build hydraulic bypasses and install the infrastructure at a power station at Karakaya, Turkey.

Trucks for Angola

Volvo International Development has signed a £1.17bn. contract with the Angolan Government for delivery of 950 heavy trucks and 100 semi-trailers during the 12 months beginning in November.

Alarm clock duty

The Department of Trade has made an order imposing a provisional duty on imports of mechanical alarm clocks, other than travelling alarm clocks,

from the People's Republic of China. The amount of provisional charge is 90p per clock and is valid for a period of three months from yesterday.

Brazilian smelter

Nissan Motor has decided to invest in a 320,000 tonne aluminium smelting facility in the Amazon planned by Japanese companies and a major Brazilian partner. The project, which carries an estimated price of \$1.35bn., is one of those Brazilian President Ernesto Geisel is discussing on his current visit to Japan.

£4m. plant order

Sheepbridge Equipment of Chesterfield, has received export orders for crushing and screening plant, and associated spares worth \$500,000 from Bangladesh, Iraq, Saudi Arabia and the United Arab Emirates.

Swiss deficit

Switzerland had a trade deficit of Sw.Frs.325m. in August following a surplus of Sw.Frs.83m. in July and a Sw.Frs.142m. deficit in August last year, according to the Federal Customs Office. This is the first monthly trade deficit since March this year.

Mineral mission

Riofinex, a wholly owned subsidiary of Rio Tinto-Zinc has been awarded a contract by the Directorate General of Mineral Resources in Saudi Arabia for the establishment of a geological mission. The budget approved for this work during the current development plan amounts to approximately £30m.

Kenya power deal

Stirling Astaldi, the civil engineering concern, is sharing a £24m. contract to build Kenya's Gitaru hydroelectric project with Skanska Cementgjuteriet AB of Sweden. The contract has just been signed with the Tana River Development Company and is the third phase of the Tana River Seven Forks project, which, when completed in 1978, is estimated to cost about £60m. and give an output of 144 megawatts.

MALAYSIAN INVESTMENT

Allaying foreign fears

BY WONG SULONG

THE MALAYSIAN Government has been very welcome, but they are still cautious. "There is an urgent need for the Government to produce clear policies which are uniformly implemented at all levels of the administration," says Mr. Clive Little, general manager of the Chartered Bank in Malaysia, referring to the fact that ministerial goodwill towards the private sector has not filtered very deep down the bureaucracy.

A lot of damage to investors' confidence had been done in the past two years. "The Government seems to have developed this bad habit of introducing sweeping legislation in Parliament without consulting the interested parties," one industrialist complains.

The Malaysian Government is torn between the introduction of more equitable distribution of wealth and the need to stimulate more foreign investment. The problems of achieving both are formidable.

Behind this change in attitude there lies the realisation that the private investor is rather nervous about his future in Malaysia, at a time when the country needs him more than ever before. Malaysia is still one of the best investment centres in Southeast Asia, but with the Communist victories in Indochina, and a growing local insurgency problem, it has become less attractive and has lost some ground to countries like the Philippines and Indonesia.

The Government has already stretched its resources, and with a fairly serious Communist insurgency to contend with, the economic thrust of the Third Malaysia Plan (1976-80) will have to come mainly from the private sector.

The private sector is expected to invest Ringgits26.8bn. (nearly £6bn.) compared to Ringgits9.2bn. during the Second Plan. In addition, the Government hopes to raise Ringgits5bn. from foreign sources for its own investment programmes.

The reaction from the private sector to this target has ranged from mild to outright scepticism. The Finance Minister, Tengku Razaleigh, tells businessmen that they are too cautious. He says that the new investment target represents a 48 per cent. real increase over the last plan, and could be achieved if investment grows by 10 per cent. annually, compared with 7.2 per cent. previously.

However, some signs do not bear out Razaleigh's optimism. Despite the recovery of the economy, as helped by the good commodity prices, the Malaysian bourse is still listless, and private investment so far has not been picking up as fast as expected. To business circles, the recent

change of tune in Government has been very welcome, but they are still cautious. "There is an urgent need for the Government to produce clear policies which are uniformly implemented at all levels of the administration," says Mr. Clive Little, general manager of the Chartered Bank in Malaysia, referring to the fact that ministerial goodwill towards the private sector has not filtered very deep down the bureaucracy.

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advanced rapidly, has now grown the import substitution stage, and to expand industries will have to be export-oriented. Here, Malaysian industrialists are learning the harsh facts of international competition, and they are telling the Government that it will have to give better incentives and provide greater support to local manufacturers, they are to compete successfully overseas.

Investors are watching of tortuous negotiations between Tengku Razaleigh and the foreign oil companies with interest. The Government must have majority control over its non-renewable natural resources, including oil, and the Prime Minister, Tun Hussein Onn, has warned the oil companies that any unilateral substantial agreement reached by November 15, 1976, might have to resort to nationalisation "with adequate compensation."

Since that warning, both sides have barely budged from their previous positions, and are clinging on war of nerves. The oil companies, particularly Esso, are making faint threats about pulling out, while Tengku Razaleigh has been dropping hints by engaging in discussions with Saudi Arabian and Indonesian oil officials that he is quite prepared for such an eventuality.

The effect would be far reaching. However, if he can fix a mutually acceptable deal with the oil companies, and follow up with a budget good for business at the end of the year, it will have done much to boost confidence in the private sector.

The Government has announced that it is prepared to amend the Petroleum Development Act and the Industrial Co-ordination Act to attract more foreign investments. It willingness to do so would correct any misconception about Malaysia's policy on investment according to Government sources.

To check any excesses of economic nationalism, the government recently formed a cabinet committee under the deputy prime minister, Dr. Mahathir, with wide powers to supervise the economy, stimulate investments.

On the part of the private sector, there is now greater understanding and acceptance of the Government's new economic policy. It is left to be seen whether Government and businessmen can find a happy medium between the objectives of the policy and those of the entrepreneur.

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173	946	1512	2198	2896	4103	8512	8962	7820	8940	10581	11057	11982	12815	13037	13962	14582
245	1000	1554	2267	2904	4109	8518	8968	7824	8944	10585	11061	11986	12819	13041	13966	14586
368	1021	1575	2288	2908	4113	8522	8972	7828	8948	10589	11065	11990	12823	13045	13970	14590
491	1042	1596	2312	2912	4117	8526	8976	7832	8952	10593	11069	12000	12827	13049	13974	14594
614	1063	1617	2336	2916	4121	8530	8980	7836	8956	10597	11073	12004	12831	13053	13978	14598
737	1084	1638	2360	2920	4125	8534	8984	7840	8960	10601	11077	12008	12835	13057	13982	14602
860	1105	1659	2384	2924	4129	8538	8988	7844	8964	10605	11081	12012	12839	13061	13986	14606
983	1126	1680	2408	2928	4133	8542	8992	7848	8968	10609	11085	12016	12843	13065	13990	14610
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1229	1168	1722	2456	2936	4141	8550	9000	7856	8976	10617	11093	12024	12851	13073	14000	14618
1352	1189	1743	2480	2940	4145	8554	9004	7860	8980	10621	11097	12028	12855	13077	14004	14622
1475	1210	1764	2504	2944	4149	8558	9008	7864	8984	10625	11101	12032	12859	13081	14008	14626
1598	1231	1785	2528	2948	4153	8562	9012	7868	8988	10629	11105	12036	12863	13085	14012	14630
1721	1252	1806	2552	2952	4157	8566	9016	7872	8992	10633	11109	12040	12867	13089	14016	14634
1844	1273	1827	2576	2956	4161	8570	9020	7876	8996	10637	11113	12044	12871	13093	14020	14638
1967	1294	1848	2600	2960	4165	8574	9024	7880	9000	10641	11117	12048	12875	13097	14024	14642
2090	1315	1869	2624	2964	4169	8578	9028	7884	9004	10645	11121	12052	12879	13101	14028	14646
2213	1336	1890	2648	2968	4173	8582	9032	7888	9008	10649	11125	12056	12883	13105	14032	14650
2336	1357	1911	2672	2972	4177	8586	9036	7892	9012	10653	11129	12060	12887	13109	14036	14654
2459	1378	1932	2696	2976	4181	8590	9040	7896	9016	10657	11133	12064	12891	13113	14040	14658
2582	1399	1953	2720	2980	4185	8594	9044	7900	9020	10661	11137	12068	12895	13117	14044	14662
2705	1420	1974	2744	2984	4189	8598	9048	7904	9024	10665	11141	12072	12899	13121	14048	14666
2828	1441	1995	2768	2988	4193	8602	9052	7908	9028	10669	11145	12076	12903	13125	14052	14670
2951	1462	2016	2792	2992	4197	8606	9056	7912	9032	10673	11149	12080	12907	13129	14056	14674
3074	1483	2037	2816	299												

AMERICAN NEWS

President heckled, booed at his old university

BY DAVID BELL

WASHINGTON, Sept. 16.

MR. GERALD FORD, the U.S. President, did not receive quite the warm welcome that he expected when he returned to his old university in Ann Arbor, Michigan, last night to make his first major speech of the election campaign. Boos and heckling drowned out the cheers on more than one occasion, and repeated interruptions, including a loud firecracker, meant the address lasted twice as long as planned.

Thirty miles away, his opponent, Mr. Jimmy Carter, was dutifully trying to take attention away from the President with a speech to the Michigan state trades union organisation. He congratulated Mr. Ford for finally but reluctantly coming out of the White House to meet the people and treated his partisan audience to his strongest attack so far on the economic policy of Mr. Ford's Republican Party. The President, Mr. Carter said, had inherited a "difficult situation" from his predecessor, Richard Nixon, and had turned it into a disaster. The current economic recovery was nowhere near as strong as the Administration was claiming, Mr. Carter said.

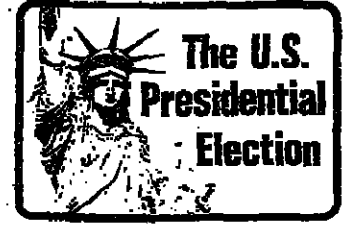
Mr. Ford was warmly cheered when he talked of the need for

trust in government but apart from one proposal to help first-time, low-income house buyers his speech was confined to generalities and thinly veiled attacks on Mr. Carter, whom he never mentioned by name. His reference to Dr. Henry Kissinger's "vital" mission in southern Africa was drowned out by boos and there were repeated shouts of "Nixon" from the audience of 15,000. In spite of this Mr. Ron Nessen, the President's Press secretary, said Mr. Ford was "pleased" with the reception.

Meanwhile, the latest Harris voters' survey showed that Mr. Carter seemed to be losing ground with the electorate, although it also showed there remained considerable room for both candidates to improve their standings. About half of those questioned had some doubts

about Mr. Carter's "real" political philosophy and were not sure that he always says what he means rather than what he thinks people wish to hear. On the other hand 69 per cent of those surveyed thought he was a man of "high integrity," 67 per cent approved of his not being part of the "Washington establishment" and 62 per cent praised him for compassion and real understanding of the needs of the disadvantaged.

The most dangerous finding in the poll for the Carter campaign may be that it showed that a large number of people had no real enthusiasm for his candidature. His aides are aware of this, because it was reflected in their own polls, but they still believe that this will change as the election date approaches. Mr. Carter seems to have fared better this week than last. There have been fewer anti-abortion demonstrators and he has been reacting more skilfully to the student than before. At the same time he has returned to the conservative themes that served him well in the primaries, partly to reassure moderate voters and partly to take the sting out of the expected Ford attack on him for being a "big spender."



Ford strike 'ripple effect' starts

BY JAY PALMER

NEW YORK, Sept. 16.

ALTHOUGH the car workers' strike against Ford Motor is now a day old, concern is already increasing here that the walkout and the car company's production shutdowns could begin to hurt the U.S. economic recovery within no more than two or three weeks.

That the strike will last at the very least two weeks now seems certain. No bargaining sessions between the two sides have been and many believe that the union is being over-optimistic in suggesting that it could get rank and file ratification of any deal within a further week.

According to some estimates, Ford Motor's more than 25,000 direct and indirect suppliers will begin to feel the effects of the shutdown within 14 days. If the strike continues for more than four or five weeks, many of these companies will have to begin laying off workers and closing facilities of their own.

Some companies have, in fact, already posted layoff warnings for employees. The Detroit railroad, which normally gets about half its business from Ford, has told 400 of its 1,400 employees that they will have to stop work. Bendix, which rates Ford as its

single biggest customer, said that it will lay off nearly 4,000 workers if the strike lasts more than two weeks.

It is not only the "ripple effect" of Ford's problems which are causing worry. In some states, where Ford parts are an important part of the local economy, the loss of Ford's wage payments will have an immediate impact on local spending levels.

All this comes at a time when fears are being increasingly voiced that the U.S. economy recovery is slowing. Unemployment last month rose to 7.9 per cent; and only earlier this week several large steel companies announced that they were having to lay off workers because of sluggish business.

If, as now seems very probable, the strike does continue and does have a noticeably harmful impact, it will have potentially serious consequences on the outcome of the November Presidential election. President Ford has made much of the "healthy" economy and, as the incumbent, stands to lose from either a sharp rise in unemployment or an inflationary wage settlement.

Callaghan, Trudeau talks resume

OTTAWA, Sept. 16.

BRITISH Prime Minister James Callaghan to-day resumes talks with Canadian Prime Minister Pierre Trudeau with the main topic again expected to be the situation in Southern Africa.

British officials said that the two leaders would meet for a

working lunch followed by formal discussions on southern Africa and world economic problems, especially inflation and unemployment. They would also discuss the agenda for the next Commonwealth Prime Ministers' Conference.

British officials said that the two leaders would meet for a

Personal income up 0.4% in August

Personal income in the U.S. rose by 0.4 per cent in August, equivalent to a seasonally adjusted annual rate of \$1.3bn, rise to \$1.30bn, the Commerce Department said, reports AP-DJ from Washington. It was the smallest monthly increase in income from all sources in 13 months. In July last year it fell by \$1.7bn.

The Commerce Department reported that the August personal income increase was also substantially smaller than the \$1.3bn adjusted annual rate of increase the month before. That month's rise had been propelled in part by a big increase in social security payments reflecting a rise in the social security rate.

\$1.3bn. oil price error

The U.S. Federal Energy Administration said yesterday it and the oil industry made a pricing mistake that could cost consumers \$1.3bn. AP-DJ reports from Washington. The agency proposed letting the refiners keep the money, because the mistake was partly due to wrong guidance from the FEA about oil-price rules.

Panama food riots

The Panama Government yesterday closed all schools and universities in Panama City, Reuter reports, after fresh student rioting against food price increases.

Grumman controversy

A U.S. Senate subcommittee may ask the Justice Department to investigate for perjury conflicting statements on whether Mr. Richard Allen, a former Nixon Administration official, asked Grumman for an illegal political contribution, AP-DJ reports.

Assassination probe

A resolution setting up a 12-member committee to investigate the assassinations of President John Kennedy and Dr. Martin Luther King was sent to the House of Representatives yesterday, Reuter reports from Washington.

Brazil inflation

Brazil was expected to take further action against inflation at a meeting of its National Monetary Council yesterday in Brasilia, Finance Ministry sources told Reuter in Rio de Janeiro. Recent figures show Brazil's inflation rate was more than 32 per cent in the first eight months of this year.

Payments silence

Lockheed's former chief representative in Japan, Mr. John Clutter, has refused to answer questions posed by a joint U.S.-Japanese panel investigating SMC's secret payments made in Japan, AP-DJ reports from Los Angeles.

U.S. OPINION POLLS

The fear of 1948

BY DAVID BELL IN WASHINGTON

TWO WEEKS before the 1948 election Newsweek asked the 50 leading American journalists of the time who they thought would win. All said that President Truman had no chance and one national magazine was rash enough to appear on election day with "President Dewey's" Cabinet all grouped together for a photograph.

In the event the Truman victory consisted of Dewey's oblivion and it is still the most spectacular upset in American political history. This summer, when the still largely unknown Jimmy Carter was said by the polls to be 33 points ahead of him, President Ford began to talk about "doing a Truman."

Nothing worries the American pollster more than the possibility, however faint, of another upset on this scale. Although the art of polling was much less refined 30 years ago than it is now, polls had been used consistently for some time before the 1948 election. Mr. Elmo Roper's polling organisation, for instance, had been right within 1.2 per cent in each of the previous three Presidential elections. In 1948 he predicted a Dewey landslide. Asked what went wrong, he said only: "I frankly do not know."

Mr. Carter's lead has slipped to more "manageable" proportions since the early polls and the major polling organisations mostly put him only 11 points ahead at the moment. But they also show that as much as 25 per cent of the electorate is undecided—a vast mass of shifting opinion which is both much bigger than usual and, say the pollsters, much more difficult than usual to predict.

The gyrations have been partly responsible for the growing interest in attitude surveys rather than simple polls, particularly at this stage in the campaign. Candidates have for a long time been using private polls to find out how their views are being received and how they are seen by different voting groups. Peanut 1—Mr. Carter's campaign jet—has a computer on board linked to a master machine in the Atlanta headquarters which con-

with the latest poll data. Mr. Patrick Cadell, the resident 26-year-old campaign pollster, uses this to "fine tune the thrust of the campaign." Mr. Carter watches these polls extremely carefully.

With each election that passes the major newspapers have also become increasingly interested in these attitude surveys. For example the New York Times, in partnership with CBS News, now has its own immensely detailed

survey of voter opinions which has been appearing at regular intervals since the spring. The latest survey, among a host of other things, showed that Mr. Ford is not well regarded by moderates but is just preferred by Catholics; it analysed voters' perceptions of the economy (dismal), abortion (indifference), and the Ford pardon of Nixon (even split for and against). It also showed that most voters are lukewarm about both candidates.

These polls provide a most useful backdrop against which to set issues that arise. Over abortion, for instance, Mr. Carter has been vociferously criticised by "right to life" demonstrators and by the Catholic bishops who have all but endorsed Mr. Ford's marginally stronger anti-abortion position. Mr. Ford's staff are still insisting that this endorsement will win votes. But the poll shows that two-thirds of the

In 1948 U.S. pollsters predicted a landslide victory for President Truman's opponent. How accurate can they expect to be this year?

people do not favour a constitutional ban on abortion and that even a majority of Catholics do not favour such a ban. In fact, abortion ranked 25th in a list of 25 issues.

There is a factor which has a major impact on the "raw" polls, meaning those which show only the standing of the candidates. Although the census bureau now estimates that there are about 150 people of voting age in the U.S. only about 90m—or even fewer—are expected to vote in November. A recent survey of non-voters by Peter Hart and Associates discovered that over half non-voters are between 18 and 34; and that many had never voted, and intend never to vote. The Democrats are trying to get a last minute voter registration surge to offset the effect of the "lost generation" but it does not appear to be having much success, save in the Black Community. In some northern industrial states the Black vote could be crucial for Mr. Carter and Blacks are solidly behind him.

Mr. Mark Shields, the California pollster, says that "demographically and in their attitudes the non-voters are pretty much like the rest of us—cynical about Washington and about politics in general. Maybe the

question should be why people vote, not why they don't vote." No one has yet asked the people who do vote that question but no doubt there will soon be a pollster who does.

With so many voters and all the pollsters so far reporting a notable lack of commitment to either candidate there is now a possibility that less than 50 per cent of those voting age will actually vote in November, a figure which profoundly concerns many American political observers.

Meanwhile the polls that really count in political terms will continue to be the ones which show who is ahead and by how much. The pollsters have always conceded that these can swing the result in the last few days of a close campaign as this one now promises to be. Partly to guard against this change they are stressing this year, more than ever before, that these polls should primarily be read as a guide to what people were thinking on the day the poll was taken. This, they say, is not necessarily much use as a guide to what the same people may be thinking when the poll is published some days and much computer time later.

They also note that telephone polls are regularly less accurate than face-to-face surveys because many people interviewed on the telephone apparently do not trust their interviewers and can disguise their opinions more effectively than when face to face. Most newspapers are also much more aware now of the difference that the size of the statistical sample can make to the accuracy of a poll. The National Council on Polls' guidelines note that a poll of a statistically valid sample of more than 1,500 people may be accurate to within 2.3 per cent, but a poll of 200 to 250 may have as much as an eight per cent margin of error. Most editors now study these guidelines closely before deciding how much prominence to give to individual surveys.

The author of the latest book on polls, entitled "Lies, Damned Lies and Statistics," concludes with his own assessment of the value of them and it is one which most observers this year would probably echo. "Read the polls, cavendish on conversations in coffee shops and bus stations, scan a variety of newspapers, put a finger in the hat and then forget about the polls." Even in a country as large and diverse as the United States this may be the soundest advice of the political year.

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DAILY JUMBOS FROM LONDON HEATHROW AT 15:30 HRS.



EUROPEAN NEWS

Bonn's DM 4bn. defence of snake in August

BY NICHOLAS COLCHESTER

BONN, Sept. 16.

THE WEST GERMAN Bundesbank bought DM4.1bn. of additional currency reserves in its successful effort in August to defend the parties of the European currency snake. The latest monthly report of the Bundesbank reveals that this currency market intervention led to a net increase of DM3.4bn. in the Central Bank's currency reserves over the month.

The liquidity made available by this large sale of Deutsche marks has been largely neutralised for the moment by offsetting deposits made by the Government with the Bundesbank. Even so, a noticeable increase in the demand for credit during the summer has now taken the Central Bank money stock up to the level where the Bundesbank's publicly announced goal of an 8 per cent. increase between this year's average money stock and last year's average can no longer be adhered to.

The Bundesbank therefore suggests that it can provide little more in the way of monetary stimulus to the German economy without endangering success in coping with inflation.

It concedes that German economic expansion has slowed and that unemployment, seasonally adjusted, has increased over the past few months. But it blames this fact on structural unemployment which, it says, can be better tackled by special Government

measures aimed at the labour market than by measures designed to increase general demand.

Seasonally adjusted, the Bank notes, unemployment at the end of August was still a relatively high 4.8 per cent. compared with 3.2 per cent. a year ago. Its economists feel, however, that industry's ability to expand production without hiring new labour is now exhausted. Part of the problem, they suggest, is that supply and demand for labour are poorly matched, either because the qualifications of the unemployed do not coincide with industry's requirements, or because there is now insufficient mobility of labour in West Germany.

The Bank continues to cite foreign demand as the chief contributor to growth in the German economy and comes up with some interesting statistics demonstrating that despite the rise in the value of the Deutschmark, German industry's competitiveness in the world market has not suffered.

Exports rise

Between 1972 and the second quarter of 1976 the average Deutschmark price of German exports rose by 38 per cent., whereas the average increase in export prices of Germany's 13 major trading partners (in their own currencies) was 50 per cent. Over the same period the weighted increase in the value of the Deutschmark against all

these other currencies was 24 per cent. Thus the overall competitiveness of German industry varied very little.

The report backs up this argument by pointing out that exports to the industrialised countries have increased strongly this year. In the quarter from May to July they were seasonally adjusted 3 per cent. up on the preceding quarter. In comparison with the same quarter last year they were up 21 per cent., and the proportion of all Germany's exports going to the western industrialised countries rose from 67 per cent. to over 70 per cent.

In the report's summary of Bundesbank activity in the currency market, it is confirmed that in the first quarter of 1978 some DM10bn. of extra foreign currency reserves were accumulated largely as a result of the unsuccessful attempt to hold the French franc inside the snake. After the franc was taken out of the Bundesbank was able to shed DM4.5bn. of reserves between April and July.

The Bundesbank's economists conclude that speculation against the "mini-snake" is more "short-winded" than in the days of the old fixed-exchange rate system. Yet, despite the maintenance of the mini-snake through August, the Bundesbank hints publicly at its scepticism about the snake's long-term viability in the face of differing rates of inflation in the member countries.

Irish terrorist laws may pass to-day

By Our Own Correspondent

DUBLIN, Sept. 16. THE IRISH government's new anti-terrorist bills may complete the parliamentary passage by to-morrow and become law within the next fortnight. Following their passage through the Dail they are now being considered by the Senate but are not expected to undergo any further major amendments.

The final laws look as though they will be shorn of some of their more controversial aspects. Gone, it would seem, is the threat to press freedom which some saw in the original wording of the section on incitement. This now makes it an offence only directly to incite recruitment to an illegal organisation.

Reduced, too, is the proposed power of prison staff to seize documents passed by prisoners to their lawyers, while the army's powers of search and arrest will not apply to the country's part-time soldiers.

These amendments are partly the result of what is being called the best performance by Fianna Fail, since it went into opposition three years ago. Recent bad results in by-elections appear to have persuaded the party to do its homework on this issue, and the front bench worked better together than any one, including probably the Government, expected.

The Government can claim credit for its willingness to give ground and the result is that the final laws can be expected to have broad support both inside and outside parliament.

The one man whose reputation may not have been enhanced in recent weeks is the Minister for Posts and Telegraphs, Dr. Conor Cruise O'Brien. An interview he gave to an American newspaper focused public attention on the possibility that the incitement section might be used against the Press and the resultant protests obliged the Government to amend this section.

Controversial areas in the legislation still remain—particularly the emergency law which would allow police to detain suspects for up to seven days on exceptional circumstances and again in to-day's Senate debate with members complaining that suspects need not be held in police stations but only "some convenient place".

The Government reply was that this would happen only in Ireland or exceptional circumstances and that the Government has made it clear that in its view the proposed law does not interfere with a person's right of access to a lawyer.

Fianna Fail is also still unhappy about the prospect of people being searched and arrested by troops but in general the legislation is working well over the past few weeks has removed some of the force from arguments that Irish democracy is in danger.

MINTOFF'S MALTA

An electoral juggling act

BY DOMINICK J. COYLE IN VALLETTA

LISTENING to Maltese politicians in the final run-up to this week-end's general election you could be excused for thinking that their tiny (122 square miles) Mediterranean island of 300,000 people was at the centre of the universe. An alternative explanation, of course, is that it is just about the best connected piece of real estate in the world, with party leaders and their supporters talking about the French connection, the Italian connection, the Chinese connection, the Libyan "alliance", NATO, the Common Market and—ironically in this context—non-alignment.

The bare facts are that a new Parliament of 65 candidates is to be elected for a five-year term. The electorate is just short of 215,000, slightly more than half of whom are women and thought to be more conservative. Under the proportional representation system is used, two days of voting on Saturday afternoon and 24 hours later the outcome should be clear but not final, since the P.R. Transferred Preference Procedure as applied to Malta can mean anything up to 30 counts, or even more.

The vote in effect is more in the nature of a referendum than a Parliamentary election. It is a referendum about one man, the controversial Prime Minister, Mr. Dom Mintoff, whose political style is to keep a number of political balls in the air simultaneously, while holding a few more behind his back on one hand. Some Maltese have come to love him, while others have come to hate him, and he is known as "the man who keeps the island's ultimate protection in the event of an attack".

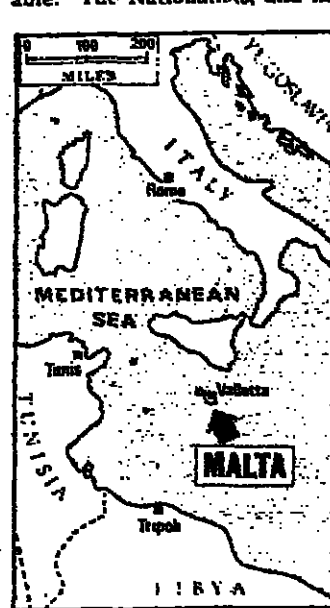
In the process, of course, he is hoping for some financial assistance from the outside world, and from other countries in "help us keep our appointment with destiny". In 1973, when Britain withdrew her last forces but an estimated 50,000 in troops, associated and indirect spending.

He has also created something of a domestic revolution, not least in the area of social welfare: he has pushed through constitutional changes reflecting his own Socialist objectives; and he has declared Malta a republic. He has reduced the numbers of out-workers, at least in terms of politically embarrassing high official unemployment statistics, by forming so-called "pioneer corps" under military control (but without the right to trade union participation) to "re-orient" the Maltese economy, moving it away from the J.A.P.O. industrial base of official figures remains relatively healthy, although a few factory-closures may still be needed if the island is to become economically self-

sufficient by the time the British leave. Dr. Mintoff does preside over a cabinet, but it is all one way traffic in ideas, instructions, criticisms. His friends claim that his every move is calculated carefully; his enemies say he is simply a dictator who will brook no interference, and respond to no argument however reasonable. The Nationalists, and in a



Mr. Dom Mintoff



MALTA

subsidised price from Col. Muammar Khaddafi, recognises the Palestine Liberation Organisation and now, while declaring a policy of neutrality for Malta, is trying to put together a still-undefined Mediterranean alliance to include France, Italy, Libya, and Algeria, to ensure the island's ultimate protection in the event of an attack.

Malta is politically polarised as it is today, this means that about anyone who is anti-Mintoff, plain that his "socialist" nature, if realised ultimately, would be indistinguishable from a totalitarian state. They charge that his "fighting" with Col. Khaddafi and the Chinese is taking the George Cross island away from its strong British and European connection and putting its security at risk. Put more crudely, as it has been in this election campaign, a lot of Mintoff opponents want to know "what is it for the Libyans and the Chinese?"

The Maltese do not particularly like the Libyans, nor are they alone in suspecting the motives of Col. Khaddafi. It is therefore surprising that Mr. Mintoff himself should, presumably deliberately, have elevated the Libyan connection directly into this electoral campaign. Returning from a recent visit there, he suggested that the election of a pro-Nato Nationalist Government would mean an end to subsidised Libyan oil, and Col. Khaddafi himself as his source. The Prime Minister has not surprisingly screamed with unjustified interference in Malta's internal affairs, while the anti-Mintoff rumour factory has been busy with no more than supporting evidence—about "all

those guns brought in and hidden in Malta by the Libyans." Those who are pro-Libyan stance will do him no good at all with the floating voters, if any of this particular breed still exists in this polarised community; and in the closing days of the campaign the Prime Minister himself introduced a balancing factor. He had, he said, an undertaking in writing from the French Government—and verbally from the Italian—to safeguard the sovereignty of Malta after the British withdrawal.

The French and the Italians were saying nothing on the record at the eleventh hour of the campaign, conveniently perhaps both embassies here are without ambassadors just now, but private word on the diplomatic grapevine is that Paris had sent a letter "which says nothing new but does express understanding, and the same sources insist that the Italians had not gone so far. The Nationalists meanwhile are talking vaguely about "possible bilateral deals with some Nato countries" and, rather less hopefully, about trying to persuade Britain to stay on after 1979.

More generally the Nationalists have had a good and well-run campaign, promising (but without any costings) a whole lot of economic goodies at home, including the abolition of income tax, and a foreign policy as solidly pro-Western that they have left the impression, this could bring in some sizeable financial assistance as well. They have attacked Dr. Mintoff's apparent (although not necessarily real) anti-European bias, his dictatorial style in Government, and his failure to make real, as against largely artificial, progress against the underlying unemployment problem. They may even have managed to nip the idea in the minds of a few traditional Labour supporters that electing the Mintoff Government a sound five-year term could set the island on an uncharted road in the company of questionable "friends" towards a "workers' republic".

This electoral strategy might well be enough to give the opposition a good chance if the election were the same as in 1971. This time, however, 18 years-olds have the vote and more than one in five of the electorate will be voting for the first time. Experience elsewhere suggests that a party on the left gets a useful bonus from first time voters, and the signs here are that Mr. Mintoff's political fate could be determined by the 51,000 Maltese voting for the first time. He must hope that they are not already a politically polarised as their parents.

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Spanish inflation rate slows

BY ROGER MATTHEWS

MADRID, Sept. 16.

THE COST of living index in Spain rose by a modest 0.84 per cent. last month, according to provisional figures released just after the Cabinet met to-day to discuss a series of economic and political measures. Opposition parties were not slow to note that the only Cabinet member absent from the meeting was the Minister of the Army who is in Chile to celebrate the third anniversary of General Pinochet's coup.

Although the inflation rate has eased in the past three months, the eight month total for the year stands at 12.65 per cent. compared with 9.81 per cent. for the corresponding period of 1975. Most financial sources in Madrid expect the year-end figure to be around 20 per cent., a factor that coupled to the substantial balance of payments deficit has lent weight to persistent speculation that the parity of the peseta will be adjusted in the near future.

The Government is also known to be considering a new wages

policy that might try to put further constraints on the better paid while giving greater flexibility to those in the lower income brackets.

However, any restrictions on the large number of wage deals due to be concluded before Christmas, fought with distrust by the Government as it is simultaneously anxious to buy labour peace so that the Referendum on constitutional reform can go ahead in a relatively calm atmosphere.

Most factories in the industrial Basque provinces were working again to-day after the extensive strikes called to protest at the police killing of a demonstrator last week. Over 20 town councils in the province of Guipuzcoa have now resumed work, while councilors in Pamplona have asked the Government to forbid police to use firearms against any form of political or labour demonstration. If the Government could not achieve this objective the council says that King Juan Carlos should appoint a new Cabinet.

The action of the town councils is a significant development in the political make-up of the Basque provinces as they are composed of basically the same people selected under the rule of General Franco and therefore considered loyal to the regime.

Police chiefs from all over Spain met in the capital to-day to discuss attitudes and methods to be adopted towards legal and illegal demonstrations. The Director-General of Security is expected to join Interior Minister Martin Villa during a week-end tour of the Basque provinces.

The month-old slow-by air traffic controllers took an embarrassing turn for the Government to-day when virtually all flights from Barcelona, including the hourly "air bridge" to Madrid, were cancelled. The Ministry of Air said this was due to a "radar failure" in Barcelona, while the air traffic controllers let it be known that they had refused to handle the extra load imposed by Air Force exercises which took place in the region to-day.

No Italian move to renew import deposit scheme

BY ANTHONY ROBINSON

ROME, Sept. 16.

ITALY has not yet made any official moves to seek a further extension of the 50 per cent. import deposit scheme reintroduced in May for a period of three months and subsequently extended with EEC and IMF approval for a further three months up to November 3.

It is also considered most unlikely in banking and government circles that Italy will ask for a further extension of the scheme as it exists at present. On the other hand it is more likely that the Italian authorities will apply for a graduated elimination of the deposits and seek permission to dismantle the scheme in a staggered fashion. At present the import deposit scheme virtually all Italian imports except grain and a few selected items. Italy is likely to propose replacing this with a system which gradually reduced the deposits from the present 50 per cent. level or selectively abolished the deposits on certain products like raw materials or a combination of the two.

The deposit scheme as it stands has been effective both in helping to stabilise the lira at a level of around 840 to the dollar and improving the trade balance.

In July, always a seasonally

favourable month, the Italian exports exceeded imports by L105bn. so reducing the overall trade deficit of the first seven months to L2,964bn.

But the deposits have also had the effect of reducing domestic liquidity and so helping to counterbalance the expansionary effect on liquidity of the heavy public sector deficit and subsequent treasury bill issues.

As one Government official commented, eliminating the import deposit scheme in one blow in November, at the start of the seasonally unfavourable period for the balance of payments and the lira, would not only release a flood of formerly restrained imports but also release an inflationary volume of liquidity into the system. If this happened Italy could well find itself by January back in the same situation as it was in January this year when the authorities closed the foreign exchange market and the lira slumped dramatically.

Grady de Jonquieres adds from Brussels: The EEC Commission has not yet made any further extension of Italy's import deposit scheme beyond November 1 and is unlikely to take the matter further until it has a clearer idea of the economic policies to be introduced by Sig. Andreotti's government, spokesman said to-day.

Danish MP boycotts Euro Parliament

By David Curry

LUXEMBOURG, Sept. 16.

THE DANISH Socialist Member of Parliament Mr. Knud Mikkelsen announced that he will boycott all sessions of the European Parliament held in France because "the European Parliament apparently no longer intends to protect its members against abuses of power by French authorities".

In June 1975, during a Parliamentary session in Strasbourg, Mr. Nielsen was involved in a scuffle with the police there. The police said that they would investigate the matter, and the Socialist Mikkelsen said they would continue to attend sessions while this took place.

To-day he informed the French Socialist President of the Parliament, Mr. Georges Ségol, that the French authorities had sworn the affair under the carpet and had said that the police action was fully justified. This was unacceptable, Mr. Nielsen declared. He said he would sit away from Strasbourg sessions and invite Socialist members of the Danish Parliament to note that "one of its representatives cannot participate in all the sessions and activities of that body".

Paris summit date

President Valéry Giscard d'Estaing will hold summit talks in Paris with U.K. Prime Minister James Callaghan on November 1. Giscard's Presidential Palace officials confirmed yesterday, Reuters reports.

E. German church protest

BY LESLIE COLT

E. BERLIN, Sept. 16.

PROTESTANT pastors throughout East Germany are to read a sermon from their pulpits on Sunday about the suicide last month of Pastor Oskar Bruesewitz, who set fire to himself in public to protest against state curbs on young Christians.

Pastor Bruesewitz's self-immolation was committed on a main square in the town of Zeitz and has brought to the surface issues long thought irrelevant in secular East German society. Even young East Germans who are not churchgoers but who occasionally attend church youth activities because of the open atmosphere were shaken by the pastor's actions, and East Germans now have begun to express doubts about the "live and let live" relationship they thought existed between the Protestant Church and the state authorities. East Germany has about 8.5m.

Protestants and 1.3m. Catholics in a total population of 17m. Protestant Church officials estimate that perhaps half of these are nominal members.

Pastor Bruesewitz's church superiors initially reacted by saying his action was a tragedy for everyone concerned, but they said that the pastor was abnormal and deeply ill. He had led a more forceful reaction. The sermon planned for Sunday describes the death as unleashing a "deep uneasiness" with its effects showing the "tensions" running through society, and asks the Government whether it really does guarantee freedom of religious belief, in particular for the young.

For years now practising young Christians have only had a "nominal" chance of gaining admission to higher studies.

Opinion poll gives Swedish Socialist bloc minute lead

BY WILLIAM DUFFLORCE

STOCKHOLM, Sept. 16.

THE Socialist bloc has edged to a minute lead in the last opinion poll to be taken before the Swedish general election on Sunday, defeating opposition hopes of ending 44 years of Social Democrat rule. The Swedish Public Opinion Research Institute (SIFO) poll, conducted on Monday and Tuesday, gave the Social Democrats and Communists 48.9 per cent. of voter support against 48.3 per cent. for the three non-Socialist parties.

Prime Minister Olof Palme's Social Democrats have thus succeeded in wiping out the 11 per cent. lead in the polls held by the non-Socialists in April.

If Sunday's voting follows the poll findings, the Social Democrats would emerge with 157 seats and the Communists with 18 seats in the Riksdag, giving them together 175 seats against 174 for the non-Socialists and allowing the minority Social Democrat government to continue in office. The latest poll,

in contrast with earlier surveys which tested party sympathies, measured voting intentions.

SIFO's margin of error by its last poll before the 1973 general election accurately predicted the dead-heat between the two blocs (the number of Riksdag seats has since been reduced from 350 to 349 to avoid a deadlock). Sunday's election therefore promises a nerve-rattling photo-finish similar to that of the 1973 election, when just over 3,000 votes separated the two blocs. The heavy postal vote counted in wiping out the 11 per cent. lead in the polls held by the non-Socialists in April.

Party leaders' comments on the poll have been cautious, but optimism has palpably risen at the Social Democrat Party headquarters. One significant feature of the poll is that the Centre Party has made no gains since the end of August, when its leader, Mr. Thorbjörn Fälldin launched his campaign against the Govern-

ment's nuclear power programme. Mr. Fälldin is the opposition's candidate for the SIFO poll.

The Stockholm stock-exchange reaction negatively to the SIFO poll to-day. Of the shares in which dealings were most prominent, all except one fell in price. The Affarsvarden general index dropped 3.8 points to 820.1, the J.A.P.O. industrial index fell 6.34 points to 423.65.

Another SIFO poll published to-day indicated that while 51 per cent. of Swedes favoured the establishment of equity-holding wage-earner funds, only 12 per cent. backed the trade union federation (LO) proposal, which entails collective control of the funds and rejects share-holding by individuals. Twenty per cent. proposed work done by a committee under Gränges chairman Erlend Waldenström. The LO proposal has been one of the main objects of attack by the opposition.

Damage in Norway explosion estimated at over £10m.

BY FAY GJESTER

OSLO, Sept. 16.

THE EXPLOSIVE fire that destroyed the Sandefjord factory last night may lead to tighter regulations regarding stings of houses near paint and lacquer factories and the warehouses where their products or raw materials are stored, officials said to-day.

Twelve people were injured last night and six people are reported missing. Damage is estimated at more than Kr100m. (£10m.), making it the biggest industrial fire in Norway's history. The cause of the explosion was still unknown to-night.

The factory, owned by Norway's Jotun Group, comprised modern concrete buildings and was well equipped with safety and fire-fighting devices.

Safety measures were increased after a fire in 1970, including special barriers around the area where most of the inflammable liquids were stored, quantities of fire-fighting equipment, including a plant for engine, warning systems, and doors which closed automati-

cally. An Explosives Inspectorate official said to-day that the plant was one of the best equipped for safety in Norway.

Last night's disaster was bigger and faster than anyone had believed possible. It started with a blast that shattered house windows, several miles away, and within minutes the entire plant was ablaze. A series of smaller explosions followed as stores of highly inflammable liquids caught fire. The fire continued through the night and was still not completely extinguished late this afternoon.

The escape of most of the 200 workers on the night shift was described by police as a "miracle". Some jumped into the fjord beside the plant and swam to safety. The fire was so intense that about 200 nearby houses had to be evacuated, and police and firemen fought to keep the flames from spreading to the big raw materials store in neighbouring hillsides. Officials said that if the stores had caught fire an entire residential district would have been endangered.

The Jotun Group, which produces raw materials for the plastics industry as well as paint and lacquer, was formed in 1972 by the merger of Norway's four largest producers of paints and polyesters. It employs 1,400 people in Norway and has worldwide subsidiaries. Group turnover last year was Kr500m.

DANES OPPOSE ATOM PLANTS

By Hilary Barnes

COPENHAGEN, Sept. 16.

ONLY 18 PER CENT of Danish voters are in favour of the construction of atomic power plants in Denmark while 55 per cent. are against, according to an opinion poll published to-day. This is the strongest opposition to atomic energy recorded to date. A year ago, polls were showing a majority in favour of atomic energy. The Government last month postponed some time a Bill giving it powers to build a country's first commercial reactor.

Tremors make more homeless in Italy

About 20,000 more people are now homeless after a new series of tremors in this earthquake-shattered Upland area of northern Italy, officials said yesterday.

The latest powerful tremors followed four earlier ones in a half month of sporadic shocks set off by an earthquake on May 6, which killed nearly 1,000 people and left about 100,000 homeless. At last four people died in the region during the new tremors, three of them from heart attacks.

Fears of new tremors approaching winter and the bitter experience of seeing four months of hard reconstruction work crash to the ground have now prompted thousands of people to look for new accommodation in safe areas.

French jobless rise

The number of unemployed French workers at the end of August stood at 841,500—4.1 per cent. more than a year before, according to figures released yesterday by the Labour Ministry. AP-DJ reports from Paris. On a seasonally-adjusted basis, the unemployment rate was only 1.2 per cent. at 861,700 from 350,000 at the end of July.

UN Cyprus talks

Intercommunal talks aimed at settling some of the territorial issues in divided Cyprus were due to open at the UN in New York last night, Our Foreign Staff writes. The Greek side, headed by Mr. Tasos Papadopoulos, and the Turkish side, led by Mr. Yilmaz Sulaymanli, have not yet brought together by Mr. Kurt Waldheim, the UN Secretary General. The talks are expected to last two days. Mr. Waldheim took this initiative which was the result of an exploratory mission by the UN to Cyprus earlier this summer, because neither the Greeks nor the Turks had shown any willingness to come together of their own accord.

Steel plant prisoners

Two British industrialists have spent a night locked up as a Belgian steel plant in Cuneo after a workers' picket stopped them from leaving. Reuters reports. Officials at the Forges de Cuneo, in which the British Völer Company took a majority stake several years ago, said that a Belgian Justice Ministry representative arrived in the south Belgian town yesterday to try to mediate.

Mr. Robert Ing and Mr. N. Davis spent a comfortable night at the plant along with other management executives. The officials said.

MOULINEX

The provisional non-consolidated results as at June 30, 1976, before deducting:

- the investment provision based on participation for 1975,
- company tax,
- staff participation for 1976,

and after deducting Frs.37,820,000 for depreciation, showed a profit of Frs.87,437,000. On the same basis, the provisional statement as at June 30, 1975, showed a profit of Frs.95,463,000 after deducting Frs.32,965,000 for depreciation.

However, profits for the first six months of 1975 were reduced by a loss of Frs.5,375,000 due to exchange rate differences, while profits at June 30, 1976, showed an increase of Frs.1,588,000 due to a rise on exchange.

It should be recalled that pre-tax sales, for the first six months of 1975, amounted to Frs.575,687,000 as against Frs.675,281,000 for the first six months of 1976.

OVERSEAS NEWS

Franjeh Cabinet changes cause uproar in Lebanon

BY HANAN HIJAZI

BEIRUT, Sept. 16.

THE DECREES issued yesterday by President Suleiman Franjeh reshuffling the Cabinet of Premier Rashid Karami have caused uproar and injected a tense psychological atmosphere here.

Fears were expressed in the Press that the development could obstruct a smooth transition of power to President-elect Elias Sarkis in a week's time, and lead to what the Left-wing daily Al Moharrer described as "a national explosion".

The decrees stripped the Minister of the Interior of his main portfolios, those of National Defence, Finance and Information. All three ministries were assigned to Christians. A second decree made Mr. Camille Chamundin an acting Premier during Mr. Karami's absence in Cairo, and gave him the crucial portfolio of National Defence. Mr. Chamundin, a Maronite leader, already held the important portfolio of Interior and Foreign Affairs. Mr. Karami was named the minor ministries of Agriculture, Housing and Tourism.

Mr. Karami in a statement telephoned from Cairo, dismissed the measures as null and void,

and accused Mr. Franjeh of seeking to partition Lebanon.

A coalition of Moslem leaders said the decrees were typical of what Moslems used to complain against, namely, that real power was centred in the hands of the Christians.

Lebanese Prime Minister Rashid Karami called yesterday in Cairo for a round-table conference involving all sides in the 17-month-old civil war. Reuter reports. The conference should be arranged by President-elect Elias Sarkis.

Christians. The coalition, which includes former premiers and Ministers, warned politicians and civil servants against implementing the decrees. The Left alliance under Mr. Kamal Jumblatt said the measures were intended to stop Mr. Sarkis from taking power on September 23.

The daily An Nahar, said Mr. Franjeh was motivated by what he regarded as lack of co-operation by Mr. Karami. It said the appointment of Mr. Chamundin as Defence Minister meant he intends to undertake certain

measures regarding the divided Lebanese army.

Observers here have been trying to find out if the decrees were issued with Syrian approval since Damascus has been working closely with the right-wing front headed by Mr. Franjeh. They said that if Syria is behind the move it could be a sign for Syrian military action before September 23. If Syria is opposed to it then the repercussions might not be as serious as some quarters have predicted.

Significance is seen in the opposition to the reshuffle by the main right-wing group, the Phalangist Party, whose leaders said that party was not consulted.

Meanwhile, a meeting between Mr. Sarkis, Syrian Premier Maj. Gen. Abdel Rahman Khleifallah and guerrilla leader Yasser Arafat, is expected to be held at the Lebanese border town of Shoura tomorrow. On Saturday, Mr. Sarkis is scheduled to visit Cairo.

Louis Fares adds from Damascus: Syria appealed today to the Palestine Liberation Organisation to "reconcile with the PLO's natural ally."

Kuwait urges Iraq pullout

BAHRAIN, Sept. 16.

KUWAIT HAS officially asked Iraq to withdraw its troops from the matter with the Arab League, the newspaper added.

It recalled that the Arab League had already delineated the border between Iraq and Kuwait, and said Kuwait might ask the League to intervene to get a final agreement on the frontier. Although Iraq has not accepted the existing border between the two countries.

Reuter

Miki in Lockheed pledge

TOKYO, Sept. 16.

PRIME Minister Takeo Miki MIG25 fighter plane flown here today challenged political opposition to his efforts to unravel Japan's Lockheed bribery scandal and said this would be one of the main tasks facing the new session of the Diet (Parliament).

The special session, called to consider urgently needed financial legislation, began this evening, and is due to last 50 days.

A few hours earlier, Mr. Miki promised that the full truth about Lockheed payoffs in Japan would be disclosed before the next general election, which must be held before December 9. He said an interim report would be issued if the investigations were not finished in time.

Former Prime Minister Kakuei Tanaka and 14 other people have been charged in connection with the scandal.

UPI reports: Japan's defence administrator said today that Japanese military experts will thoroughly examine the Soviet Reuter

Black protest prepared for Kissinger

JOHANNESBURG, Sept. 16.

MILITANT BLACK South Africans were today reported to be planning a major show of strength to coincide with tomorrow's arrival of the U.S. Secretary of State, Dr. Henry Kissinger. One black source in Soweto township said a march by Africans through the centre of Johannesburg was being planned.

Police sources said they were aware of rumours sweeping the sprawling township, outside Johannesburg, that whites and black protesters would be the target of new black demonstrations. Extra squads of police would be on duty tomorrow, they added.

A three-day strike by black workers from townships around Johannesburg and Pretoria appeared to have ended today. But strikes continued in the Cape Town area, where industry was badly hit.

Police have shot dead a coloured (mixed race) man and wounded three others in violent incidents around Cape Town in the past 24 hours, police Maj. Gen. David Kriel said.

Two paraffin bombs were thrown into a major Johannesburg store today, the first outbreak of violence in "white" Johannesburg.

Strikes affected Wellington, about 30 miles north-east of Cape Town, where white residents armed with shotguns patrolled the streets. Agencies

Peking promotions may be imminent

PEKING, Sept. 16.

THE CHINESE were today assured there would be worthy successors to Chairman Mao Tse-tung and urged to rally behind the leadership.

In its first editorial since Mao's death last Thursday, the official People's Daily newspaper hinted that appointments were imminent to fill the numerous gaps in the Peking hierarchy.

Reuter

RESIDENT NIMAIRI'S GOVERNMENT IN SUDAN

The roots are growing

BY JAMES BUXTON, RECENTLY IN KHARTOUM

SUDAN now sees itself as part Arab, part African, not as a solely Arab country.

But despite the fact that Sudan has much in common with many black African states President Nimeiri has been able to make good use of the Arab connection in raising development finance.

With Kuwaiti and Saudi funds in particular, plus backing from many Western countries as well as China, the Government is borrowing heavily to bring Sudan out of a phase of low growth and create the principal source of food supplies for the rest of the Arab world.

Sudan and the Kuwaiti-based Arab Fund for Economic and Social Development have drawn up a master plan covering the next 25 years, and reasonably firm financial commitments have been made.

These political and economic strategies are not as simple to carry through as might at first appear. Before the fruits of economic development can be enjoyed Sudan must endure the serious strains of a dash for growth.

The strains of a dash for growth. The influx of imports, apart from causing a recurring payments crisis, puts a growing burden on the overstretched people of Arab stock in the north to the blackest people of Africa in the south, and, and, the problem of stimulating economic growth in a rural country which, though rich in agricultural resources, is desperately poor from poor sport and lack of skilled power.

President Nimeiri first seriously addressed himself to the problem of national unification - the unsuccessful Communist coup in 1971, which was a long point for the regime.

Addis Ababa agreement of following year ended 17 years of civil war in the South appears to be effective to day. It followed logically the Government's approach to the South and to other regional problems, that a proposed union with the Arab states of Egypt and Libya was impossible.

300 miles farther south. A prosperous Sudanese may well have a better knowledge of London than of the outlying areas of Sudan. In general, the political tendency of the middle class is to the Right, with a strong observance of Islam and a more pan-Arab tendency being among the aims of the banned political parties which find support among

the urban elite, and needs it for the sake of the economy. But it remains firmly set against concessions to the extremists in the wake of the July attempt. In this it almost certainly has the support of the ordinary people of the country: the coup, in which upwards of 300 people were killed, was unpopular and the subsequent execution of about 100 of those involved in it widely applauded.

But there is a more profound reason why the government cannot afford to make concessions: most concessions would simply conflict with the strategy which it is trying to follow. An attempt earlier this year to enforce stronger laws against drink was seen both in the South and elsewhere as a threat to the toleration of non-Muslims and was abandoned. Instead it appears to calculate that as the country becomes richer some of the economic restrictions on the middle class can be eased and businessmen will automatically benefit.

Until economic development begins to pay off, which cannot be much before the end of the decade, Sudan will continue to go through difficult times. There is little doubt that the security forces are playing an important role in keeping potential opposition under control, by close observation, questioning and occasional imprisonment.

The Government has several important factors in its favour. By directing himself of some of the officers who he previously held, including the Prime Minister, President Nimeiri has shown that the Government of Sudan is not a one man affair and that there would be a good chance of continuity if anything happened to the President.

Secondly, the resounding defeat of the coup has made it very unlikely that the opposition will again try to remove Nimeiri by force. The coup was entirely loyal to President Nimeiri during the coup and is in the last resort the force that keeps him in power.

Finally there is no sign that the confidence of foreign investors has been shaken; businessmen were arriving and important deals being signed with the Government within a few days of the coup attempt. The Government rightly interprets that as a sign of real stability.

Before the fruits of economic development can be enjoyed Sudan must endure the serious strains of a dash for growth.

many Western countries as well as China, the Government is borrowing heavily to bring Sudan out of a phase of low growth and create the principal source of food supplies for the rest of the Arab world.

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HOME NEWS

MPs seek more say in choosing ombudsman

THE COMMONS should be allowed more say in the appointment of the ombudsman, a report by an all-party committee of MPs urged yesterday.

The Select Committee which reports to Parliament on the work of the ombudsman (Parliamentary Commissioner for Administration), points out that, in the present process, he is in a sense the servant of the Commons. When the office was created the closeness of the link with the Commons was emphasised.

But at no stage before the announcement was made of a new appointment was the Commons, or any part of it, advised, much less consulted.

Quarantine

When the appointment of the present ombudsman, Sir Idwal Pugh, was announced, the committee knew nothing beyond the fact that Sir Alan Marre had expressed to them his intention to retire.

"Although this procedure is in accordance with precedent, your committee consider it unsatisfactory. There are several issues at stake here. For example, the House should have an opportunity of discussing whether or not the person appointed should invariably be a former civil servant."

"If he has not been under a period of 'quarantine' between retiring from the Civil Service and becoming Parliamentary Commissioner."

"Should your committee be entitled to consider the name or names of proposed candidates and, if so, should the committee's approval be regarded as sufficient endorsement by the Commons?"

The minimum requirement for consultation should be, as advised, that the appointment should follow consultation with the select committee chairman and confirmation by a resolution of both Houses.

The committee regrets that the Government continues to disregard repeated recommendations that the ombudsman's jurisdiction should be extended to grievances of personnel matters in the Civil Service.

The report points out that last year 13 per cent of the complaints to the ombudsman were rejected because they were concerned with personnel matters outside the scope of his powers.

The commissioner did not wish to imply that there was anything wrong with the Civil Service in this field, but drew attention to the fact that there is no other obvious channel for investigation of a grievance in personnel matters.

The committee was aware that opposition to extending the commissioner's powers in this way came from some of the trade unions and associations connected with the Civil Service, but it was not convinced that this was an overriding consideration.

A candidate for the Civil Service could have a complaint of maladministration in the way an examination was held or an interview conducted, yet have no trade union to take up his case because he was not yet a civil servant.

It was recognised that there were established procedures for dealing with some areas in which there might be grievances, and these could be excluded from the widened powers the committee continued to advocate.

Second Report from the Select Committee on the Parliamentary Commissioner for Administration. Session 1975-76. Commons Paper 480. SO. £1.50.

BSC to build advanced plants at Ebbw Vale

By Our Industrial Staff

THE BRITISH Steel Corporation is to build six small advanced plants at Ebbw Vale, South Wales, to help attract new industry to the area.

Work on the project, which is expected to cost £150,000, will start on the nursery units on the Ebbw Vale site in early November. Completion is scheduled for July next year, and each factory will cover 250,000 square feet.

Mr. Ron Smith, chairman of BSC (Industry), said in Ebbw Vale yesterday that the factories were designed for small enterprises which could act as support industries to the larger companies already in the area.

The BSC was prepared to accept that the development might run at a loss, but it was important to attract to the area small companies which otherwise would not have the opportunity to develop. The six units are expected to provide jobs for up to 100 people.

Cargo operator buys two jets

By Michael Donne

TRANSMERIDIAN Air Cargo, the U.K. independent operator, has acquired two DC-8 jets from McDonnell Douglas. The delivery is scheduled for March and May next year.

The jets, formerly owned by Aero Peru, are being converted to an all-cargo role by McDonnell Douglas and will have a payload capacity of 41 tons and a 3,000 nautical mile range. They will be used by Transmeridian on its cargo routes to the Far East and West Africa.

Transmeridian aims to have an all-jet fleet by the end of 1978, and to sell progressively its turbo-prop CL-44s.

Tory strategy to be outlined by Sir Keith

BY PETER HENNESSY, LOBBY CORRESPONDENT

SIR KEITH JOSEPH, Conservative spokesman for Policy and Research, will present a strategy document likely to form the basis of the next Tory election manifesto to the party conference in Brighton next month.

The document, described yesterday by Mr. Angus Maude, head of the Conservative Research Department as "comprehensive and dealing with the whole range of policy," will be published shortly before the conference opens on October 3.

Sir Keith's explanation of the new Tory strategy will come in a debate on party policy and public relations on its second day. The statement, which has the backing of Mrs. Margaret Thatcher and the Shadow Cabinet, will probably be more philosophical than specific. Conservative leaders are determined to avoid the mistake they ascribe to Mr. Edward Heath of committing the party to too detailed a programme before taking office.

But its paragraphs will be combed for nuances, given the growing expectation in Tory circles that Mr. Callaghan may call an election in the spring.

Lord Thorneycroft, the Conservative Party chairman, who will make an appeal for fighting funds in Brighton, said yesterday that the party was "very ready, willing and able to fight" an election.

The conference agenda, published yesterday, has an unusually high number of motions critical of the leadership for being "a shadowless cabinet" or "pink Socialists," to quote two of the more virulent insults.

Immigration inspires no fewer than 140 resolutions (second only to economic policy and education), most of them distinctly illiberal in tone. Mr. William Whitelaw, the party's Deputy Leader, who will reply to the immigration debate, will try to mollify the harsher feelings the subject arouses.

The conference session on orders for what they spent. The hard-ship was intensifying as fuel prices rose faster than incomes.

The council's special survey of poor people's heating showed that only one-third could warm their homes to recommended levels. Existing social security benefits were not adequate for many households' needs.

The British Gas Corporation, should consider ways of putting consumers automatically on the most favourable tariff. At present more than a quarter of all gas consumers were being overcharged because they were on the wrong tariff.

Mr. Michael Young, chairman of the Council, said NCC said that he accepted that not all the proposals could be implemented immediately. But it was urgent that the Government took some steps to ease the burden of fuel prices on the poor before the winter.

Calls for action are likely to come today from delegates to the council's congress in Birmingham.

Choice of fuel

An interim report on fuel prices by the council in May proposed a radical restructuring of the present tariff systems. Most of its demands were repeated in its final report, together with other proposals covering such things as the choice of fuel supply laid on for new houses.

It believes that instead of using the threat of disconnection, debts should be collected through the courts.

The present tariff structure, under which large domestic consumers pay less per unit of fuel than small consumers, should be replaced by a flat tariff under which all domestic

Government agency to build HQ

By Quentin Guirrdham

THE PROPERTY SERVICES Agency is to build its own headquarters on an 18-acre site in the centre of Middlesbrough, having decided that no existing building in the County of Cleveland could accommodate its staff.

It is two years since the Government announced that as part of the programme for dispersing 31,000 Civil Service posts from London the 3,000 staff of the Property Services Agency headquarters would move from Westminster, Crowdon and elsewhere to Tees-side. The Agency, within the Department of the Environment, is responsible for provision of accommodation for all Government establishments.

The location of the new office was announced yesterday by Mr. Ernest Armstrong, MP for North-West Durham and Under-Secretary at the Environment Department, when he visited Tees-side. He said the reason for choosing Middlesbrough was its accessibility, allowing recruitment from other parts of the area.

Half the staff which the agency will employ will be recruited locally. The transfer will not start until the Agency has completed much of the work of moving other Departments from London. The cost of transferring the headquarters is likely to exceed £20m.

The new building is expected to be completed by 1984, with the first site work starting in 1980. It will have a floor area of about 500,000 square feet.

Middlesbrough District Council is clearing the site of houses. It is bounded by Corporation Road, Ashington Road, Borough Road and Jedburgh Road.

New steel mill

By Our Darlington Correspondent

A NEW £2m. steel plate rolling mill employing 160 people will be opened today at Gateshead Tyne and Wear for Spartan Rednough. The mill will handle stainless steel and alloy steel produced at the company's Birmingham works.

New call to stop fuel cut-offs

BY ELINOR GOODMAN, CONSUMER AFFAIRS CORRESPONDENT

THE NATIONAL Consumer Council yesterday repeated its call for the abolition of the fuel authorities' power of disconnection.

The new call came in spite of warnings from the Electricity Council and the British Gas Corporation that the move could add up to 10 per cent to the average fuel bill.

The council, set up by the Government last year to represent the interests of consumers, said in its final report on fuel prices that the reaction of the fuel authorities to the council's survey of poor people's heating showed that only one-third could warm their homes to recommended levels.

Ending the powers of disconnection would add at most 1 per cent to prices and this would be justified in view of the cases of genuine hardship it would prevent.

The council, which was asked to investigate the impact of fuel prices on the budgets of low income consumers last year, said that there was evidence of widespread hardship resulting from rising fuel costs.

Poor households had less money to spend on fuel and got poor value for what they spent. The hardship was intensifying as fuel prices rose faster than incomes.

The council's special survey of poor people's heating showed that only one-third could warm their homes to recommended levels. Existing social security benefits were not adequate for many households' needs.

The British Gas Corporation, should consider ways of putting consumers automatically on the most favourable tariff. At present more than a quarter of all gas consumers were being overcharged because they were on the wrong tariff.

Mr. Michael Young, chairman of the Council, said NCC said that he accepted that not all the proposals could be implemented immediately. But it was urgent that the Government took some steps to ease the burden of fuel prices on the poor before the winter.

Calls for action are likely to come today from delegates to the council's congress in Birmingham.

SANDILANDS REPORT POSES NEW PROBLEMS FOR ACCOUNTANCY

25 Companies install FASCIA

With the publication of the Sandilands Committee Report on inflation accounting, many companies have found it necessary to examine their methods of recording Fixed Assets.

One system able to cope with any new requirement is FASCIA - Fixed Asset System Control Information and Accounting. A package developed by R.T.Z. Computer Services, Apart from Fixed Asset Accounting, its applications also include:

Capital Project Budgetary Control. Plant and Property Register. Insurance Inventory Control. Maintenance Inventory Control. Rented Assets Control. Asset Utilisation and Performance Analysis. C.P.P. Reporting.

Introduced just over a year ago, FASCIA has now been installed into 25 Companies. And many others are examining its applications.

For details of the many advantages of FASCIA, contact Mrs. Jane Hillier at R.T.Z. Computer Services Ltd., P.O. Box 19, 1 Redcliffe Street, Bristol, BS59 7JL.

Telephone (0272) 24181 (or at our London office) Neil Warden, 18/19 Sandilands Street, London WC1R 4PZ. Telephone (01) 405 9964



R.T.Z. Computer Services Ltd.

HOME NEWS

State to be a full partner in new offshore oil areas

BY RAY DAFTER, ENERGY CORRESPONDENT

THE BRITISH National Oil Corporation is to become a fully paid up equity partner in all of the offshore fields found under the next round of exploration licences.

As a result of the major change in Government policy, announced yesterday, the State company could be faced with hundreds of millions of pounds worth of development costs in the 1980s, which might well lead it to borrow sterling and foreign currencies.

The position is fully recognised by the Treasury and the Energy Department, which have sanctioned the Corporation's commitment. Mr. Anthony Wedgwood Benn, Energy Secretary, said that the obligation recognised the Corporation's growing importance as an oil company in its own right.

In the draft conditions for the fifth round of licences, expected to be awarded at the end of this year—the Corporation was being

given a majority stake in all licences, but it had the option to be "carried" during the costly development stages of any field found.

In essence, it would have paid back to oil industry partners its share of development costs plus interest once the field started to produce oil and revenue. It is believed that the Treasury objected to the Corporation being given an open cheque.

The sole industry objection strongly to this option, however, it claimed that it was being asked to act as the Corporation's unofficial banker at a rate of interest which did not reflect the risks involved.

As a result of yesterday's announcement, the Corporation will "pay as it goes," a move welcomed among oil companies which are now preparing applications for the 71 blocks and parts blocks being offered in the fifth round.

Mr. Wedgwood Benn and Lord Kerton, chairman and chief executive of the Corporation, said yesterday that by the 1980s, when development capital would be needed, it would be receiving substantial revenue from its present involvement in the North Sea.

In 1978, for instance, it should receive more than £250m. from oil produced from its share of various fields, including Thistle, Ninian, Dunlin and Statford.

Consequently, it would be in a position to raise capital in the same way as other oil companies. At present, its borrowing limit is set at £600m, although this limit can be increased to £900m by a Commons resolution.

Mr. Wedgwood Benn said that the "pay-as-you-go" decision marked a turning point in the development of Britain's oil policy.

At long last the British people can look forward to becoming real majority partners in the ownership and operation of all the oil that is discovered in the new blocks to be licensed.

The Corporation would emerge as a "major force in the world's oil industry."

The Corporation, backed by the Government, is taking a bold step. Oil fields now cost several hundred million pounds each to develop—Pan Ocean's Brae Field might well cost £1bn. for example—and the Corporation is to have a 51 per cent. stake in all of the fifth round discoveries.

By the end of this year the Corporation should have a staff of about 400, although it has begun to build up technical expertise through the acquisition of Burmah's offshore interests.

Negotiations are still continuing to give it a majority stake in the present offshore interests of companies such as BP, Shell and Esso.

These talks were being pursued even more vigorously, said Mr. Benn. "It is a case of will and determination."

North Sea Oil Review, Page 26

Scottish agency buys U.S. company

By Ray Perman, Scottish Correspondent

THE SCOTTISH Development agency, the equivalent north of the border of the National Enterprise Board, yesterday announced its first acquisition—an American-owned electrical company.

Mr. Lewis Robertson, the agency's chief executive, said in Glasgow that the equity of Ranco Motors had been bought for £1,275,000, and that the agency would put as much as £1m into the firm to finance expansion.

The company was owned by Ranco Inc. of Columbus, Ohio, which decided to sell because the subsidiary's products—electric motors for household appliances and air conditioning—were outside the group's main activities.

Ranco Motors made a pre-tax profit of £404,000 last year, and Mr. Robertson said he was confident about its future.

The agency's first venture into industry may well be used as a target by critics of industrial aid to Scotland.

The North East Economic Development Council has already asked for its grant to be brought into line with the £300m. promised to the agency. Some Labour MPs are considering whether their support for the Government's devolution Bill should be conditional on extra aid for depressed regions of England.

The Industry Act Report, published yesterday, showed that Government selective assistance to Scotland under section seven, for example, increased by nearly one-fifth to £25m. last year, and regional development grants rose by more than half to £95.5m.

Investment 'aids' U.K. balance of payments'

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE NET EFFECT on the balance of payments of all items connected with international investment in and out of the U.K. has been both favourable and unsteady, average some £20m. a year in the past three years, according to the Treasury.

The latest issue of the monthly Economic Progress Report, published this morning, contains an article clearly designed to answer "some critics" who continue to argue that the U.K. is exporting capital on a massive scale to the detriment of the official reserves, the balance of payments and the exchange rate, with the result that the Government is forced to run the economy at a lower level of demand and higher level of unemployment than would otherwise be necessary.

The article seeks to show that "criticisms on these lines are usually based on misunderstandings," and that the net additions to the U.K.'s overseas investments in recent years have been financed in such a way that the reserves have been fully protected.

The Treasury suggests that this misunderstanding has arisen partly because of the way the word "investment" is used in balance of payments accounts. This means something quite different from what is meant by the word in discussing capital spending in the economy. It is also necessary to take account of unremitted profits and borrowing in foreign currency.

In foreign currency, the article presents the figures in a new way which brings together all

the identified items in the balance of payments accounts relating to international investment.

The result, according to the Treasury, is that the net impact of U.K. private investment overseas has boosted the reserves by an average of more than £10m. in a year the past three years.

This benefit rises to about £20m. a year when account is taken of overseas investment in the U.K. private sector. This will have obviously been affected by North Sea oil activity, though this is not mentioned in the article.

The Treasury claims that the overall effect of exchange controls is that "new" overseas investment by U.K. companies cannot cost the reserves a significant amount. Moreover, via the rules on remitting profits from overseas, substantial funds to the U.K. are ensured from existing overseas investments.

The article speaks of how unremitted profits, or profits retained overseas, contribute to financing of overseas investment, and in particular how during the last three years the net additions to British overseas investments have been financed in such a way that the overall effect of the reserves has been favourable.

The Treasury also comments that output was continuing to rise in the second quarter, but growth was slower than in the first quarter. The Treasury also refers to the fact that the weekly figures show that manufacturing production rose rather faster in the second quarter than in the first.

Garages to show clearer prices

By Elinor Goodman, Consumer Affairs Correspondent

THE OFFICE of Fair Trade has finally won the agreement of the petrol retailers and the major oil companies for the petrol prices to be displayed and not pressed.

The agreement should bring an end to vague signs outside garages offering the customer such uncertain benefits as "a half pence pump price discount."

When garages are displaying a selling price, they will have to display both the price payable and the higher price a gallon from which the reduction is claimed.

Information from inside the garage will be visible to the motorist from inside his car before entering the garage.

The garages have also agreed that when price reductions are claimed, a clear indication will be given of the price of fuel offered does not apply to far star.

This, it is hoped, will bring an end to the situation where garages try to encourage people into their stations by offering cut prices on low quality petrol, or by offering a discount on the price of petrol which is not cutting the price of the fuel.

Price offers will have to be clearly and prominently stated in displays and any misleadingly stated discounts will be liable to prosecution. The Office of Fair Trade will be monitoring the situation.

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Atlantic air traffic rises 13%

The number of passengers carried across the North Atlantic by the member-airlines of the International Air Transport Association in the first six months of this year amounted to 4.76m, 13 per cent. more than in the first half of the previous year.

Of this total, over 4.5m. Atlantic passengers were carried on the scheduled flights of the IATA airlines, or 11.1 per cent. more than in the first six months of 1975.

The charter operations by the IATA airlines also showed a considerable expansion, the number of passengers rising by 30 per cent. to reach nearly 500,000.

CBI warning

Unless productive industry did better than its best performance since the war, Britain "is effectively just as a viable industrial nation," Lord Watkinson, president of the Confederation of British Industry, warned yesterday at a lunch in London.

He called for a dramatic increase in company profitability and better rewards for managers and skills.

British Rail last night firmly denied reports that a confidential document had been circulated to senior staff proposing a two-stage fares rise next year. It said no decision had yet been taken on the size or timing of fares rises.

Layfield probe

Organisations giving evidence to the Layfield Committee of inquiry into local government finance should produce comments on the report by the end of November, a deadline for comment, Mr. Guy Barnett, Parliamentary Under-Secretary for the Environment, said yesterday.

Technical hitch

A "national crisis" is looming because of the falling interest among youngsters in studying for a degree in technology, Mr. Barry Taylor, chief education officer for Somerset, said yesterday.

TriStar deal

Sir Frank Macfarlane, chairman of British Airways, yesterday signed in London the £120m. order for six of the new long-range version of the Lockheed TriStar airliner, with an option on a further six.

Coal field found

Official confirmation that Britain has a new coal field, under the Vale of Belvoir in the Midlands, came yesterday from the National Coal Board. A decision on whether to mine the 450m. tonnes coal reserves will be taken next year.

NCB consultancy

The National Coal Board and Woodall-Duckham are to form a partnership which will be called Coal Processing Consultants providing international consultancy on coal.

John Lewis profits

Profits in the John Lewis Partnership in the first half of this year were £170,000 down on the same period last year at £7.7m.

Mermaid plan

Plans to extend the Mermaid Theatre buildings in the City of London including an office block, a children's theatre and a new restaurant have been submitted to the City Corporation by the charitable trust responsible for the theatre.

BANK RETURN

LIABILITIES

Truck industry urges review of weight restrictions

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

BRITAIN'S COMMERCIAL vehicle industry, one of the most successful exporting groups in the country, yesterday began what promises to be another sustained campaign to raise the heavy-duty weight restrictions in the U.K.

The new effort to try to persuade the Government to come more into line with European practice comes only days after Mr. William Rodgers took over as Transport Minister with a seat in the Cabinet.

There are hopes that the new minister will review the present policy, which has fixed the British maximum lorry weight at 32 tons against a more general 35 tons on the Continent.

Speaking just a week before the beginning of the London Commercial Motor Show, Mr. David Plastow, president of the Society of Motor Manufacturers and Traders, said yesterday that heavier lorries would produce an immediate benefit in cost, environmental effect and reduced congestion, because fewer vehicles would be needed to carry the same loads.

Mr. Plastow said the trucks would look no different from those of today, and would still have to comply with similar noise, safety, pollution and other legal requirements.

"They are a bonus which Britain is today denied—and the lack of a home market for such vehicles also makes Britain's industry less competitive with the big international live with the big international

competitors in the market." Representatives of that truck manufacturers insisted yesterday that the industry was ready to face an expansion in demand if the Government relaxed its restrictions.

There might be output difficulties to begin with, they said, but the British industry would be able to cope and prevent a larger slice of the market going to imports.

Nevertheless, figures for the industry so far this year indicate that imports across the board are rising. Against a 9.2 per cent. penetration last year, imports have gone up to 12.5 per cent. in the first eight months, and some commercial vehicle dealers fear that the British industry

has still not got adequately free supplies at the top end of the range.

On the other hand, there is considerable spare capacity in vehicle assembly operations.

Sales this year are expected to reach 220,000 vehicles, including all light commercials, about 3 per cent. down on 1975, and 28 per cent. below the boom year of 1973.

Next year the SMMT is expecting sales to come out of the present trough and rise by about 3 per cent., and by the end of 1977, output should be back to the level of last year.

"All the indications are that the improvement in the truck business is running about nine months behind that of cars."

Reverse for car output

U.K. CAR production, which has risen steadily so far this year, was thrown into a sharp reverse last month by the series of disputes which hit British Leyland plants throughout the country (writes Terry Dodsworth).

The effects of the Leyland strikes were shown yesterday in production figures issued by the Department of Industry. August car production of 64,772 units put the level of August 1975, below some 18 per cent. below the level of the same month last year.

This represents an output of only 16,193 vehicles a week, less than Leyland had hoped to produce itself, without taking the

other manufacturers into account. In the first eight months, however, car production was 5 per cent. higher than in the same period last year. Production for export rose by 2 per cent. and for the home market by 8 per cent.

Commercial vehicle production, at 18,033, was 12 per cent. below the level of August 1975. Output in the first eight months of 1976, with production for the home market falling by 15 per cent. and production for export rising by 4 per cent.

August unit trust sales £21.7m. reach lowest point this year

BY CHRISTOPHER HILL

UNIT TRUST sales fell in August and were "fairly depressing," according to Mr. Tim Simon, chairman of the Unit Trust Association, but for the relatively low state of stock-market turnover generally during the month. While sales of £21.7m. were the lowest this year—£3.6m. below the July figure—repurchases also fell by £1m. to a low of £11.5m. and were considerably down on the average of £14.2m. for the first eight months of 1976.

This left net new investment at a low point for the year at £10.2m. for August compared with £13.3m. for July—considerably less than the average of £16.1m. per month for 1976 to end August.

The sales figures show that unitholders have been influenced by the trend of the U.K. stock-market in that sales have slowed

down. However, the pattern of previous years persists because there is a general reluctance to cash in units and to pull out of the market. The majority of sales

still appear to be in the area of income and international funds. Share exchange schemes and unit-linked sales also seem to be very important.

The value of funds fell to £24.7bn. during August from £25.4bn. and the number of unitholders' accounts also fell from 2.15m. to 2.14m. The Unit Trust Association has pointed out on previous occasions that the apparent fall in the number of direct unitholders has to be viewed against the rise in the number of unit-linked policyholders.

The cumulative figures for the first eight months of 1976 also indicate that the trend is far from encouraging. Net investment has fallen from £136.5m. in 1975 to £128.9m.—which may be a lot higher than the £55.3m. achieved during the first eight months of 1974 but is still poor when compared to recent trends.

THE MERGER under discussion since June between two firms of London stockbrokers, W. L. Carr and Sons and Simon & Coates, is not to go ahead. The talks have been ended amicably, it was announced yesterday.

The get-together plan was one of a number decided on or explored in recent months during which low level of stock market turnover has led some brokers to review possibilities of economising through amalgamations.

Both Carr and Coates are much the same size, with about 200 partners and staff. Carr specialises in international stocks and has more than 45 staff at its offices in Hong Kong.

Tokyo, Dubai and Geneva. A 15 per cent. stake in its Hong Kong concern, W. L. Carr Sons (Overseas), is held by Jardine Matheson, the Eastern trading group.

Mr. David Dickson, Carr's senior partner, said yesterday that with his firm so large in the Far East it had proved a difficult operation to put the two concerns together, but that they remained amicable and close.

Asked whether Carr was still trading profitably against the present sombre background, Mr. Dickson replied: "We are operating currently at a loss on a day-to-day basis over the past few weeks; very few people are making money."

THE PRICE Commission is to propose an end to the system of recommending retail prices for small electrical household appliances.

In a report to be published on Monday, the Commission, which was asked to report on the prices of household appliances by Mrs. Shirley Williams, then Secretary for Prices and Consumer Protection, concludes that recommending retail prices is virtually meaningless. They could confuse customers, by enabling retailers to claim high price cuts from a level at which, in reality, very few products are being sold.

Last month, Mrs. Williams announced that she was asking the Price Commission to take a wider look at the question of recommending retail prices following its findings of the small electrical appliance market, and it may well be that the system of recommending retail prices may be curtailed in a number of other areas.

If recommended retail prices were terminated on appliances it would mean that retailers would no longer be able to boast of price cuts like "30 per cent. off recommended retail price," but would have to find some other way of advertising their prices.

The Commission found that in general the trade is very competitive. However, it concluded that as manufacturers' retail prices are hardly ever observed by the retailer, they are now obsolete.

The system of recommending retail prices arose after abolition of Retail Price Maintenance in the mid-60s. At that time a large number of retailers bought their appliances from wholesalers, but now a far larger proportion of shops are buying their stock direct from the manufacturers and negotiating their terms individually.

As a result many of the multiple chains are able to buy at better terms than the whole-salers and thus sell at considerably below the recommended retail price. A survey carried out by the Commission by the Consumer Association found that prices studied were the same as recommended retail prices.

It is quite clear, the report says, that the "present discount structure bears little relation to current commercial reality. Recommended retail prices, it states, are no doubt a convenient device to promote sales, but they can mislead the consumer who may be induced to buy under the impression that they are getting a better bargain than they really are."

Call to end price pegging

BY ELINOR GOODMAN, CONSUMER AFFAIRS CORRESPONDENT

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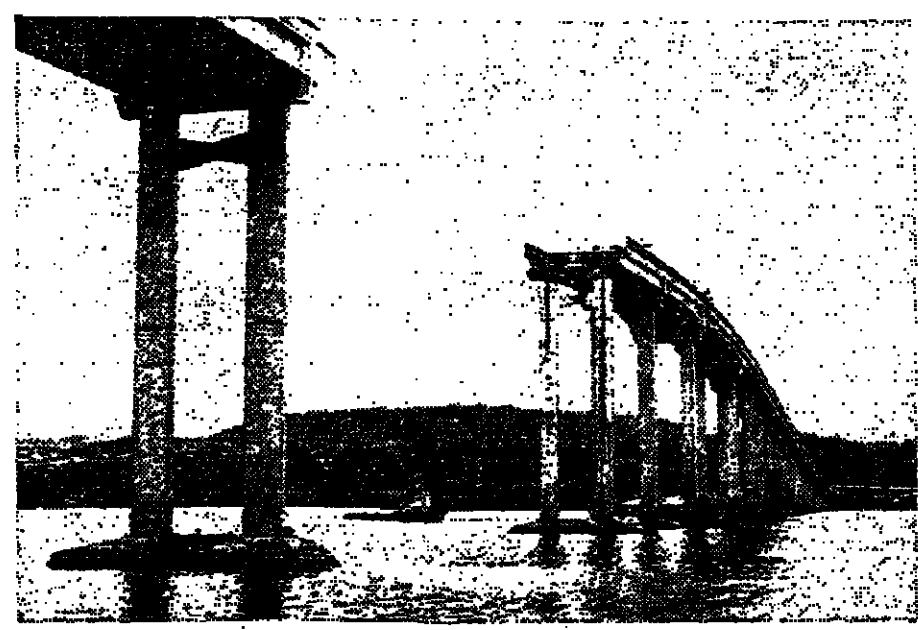
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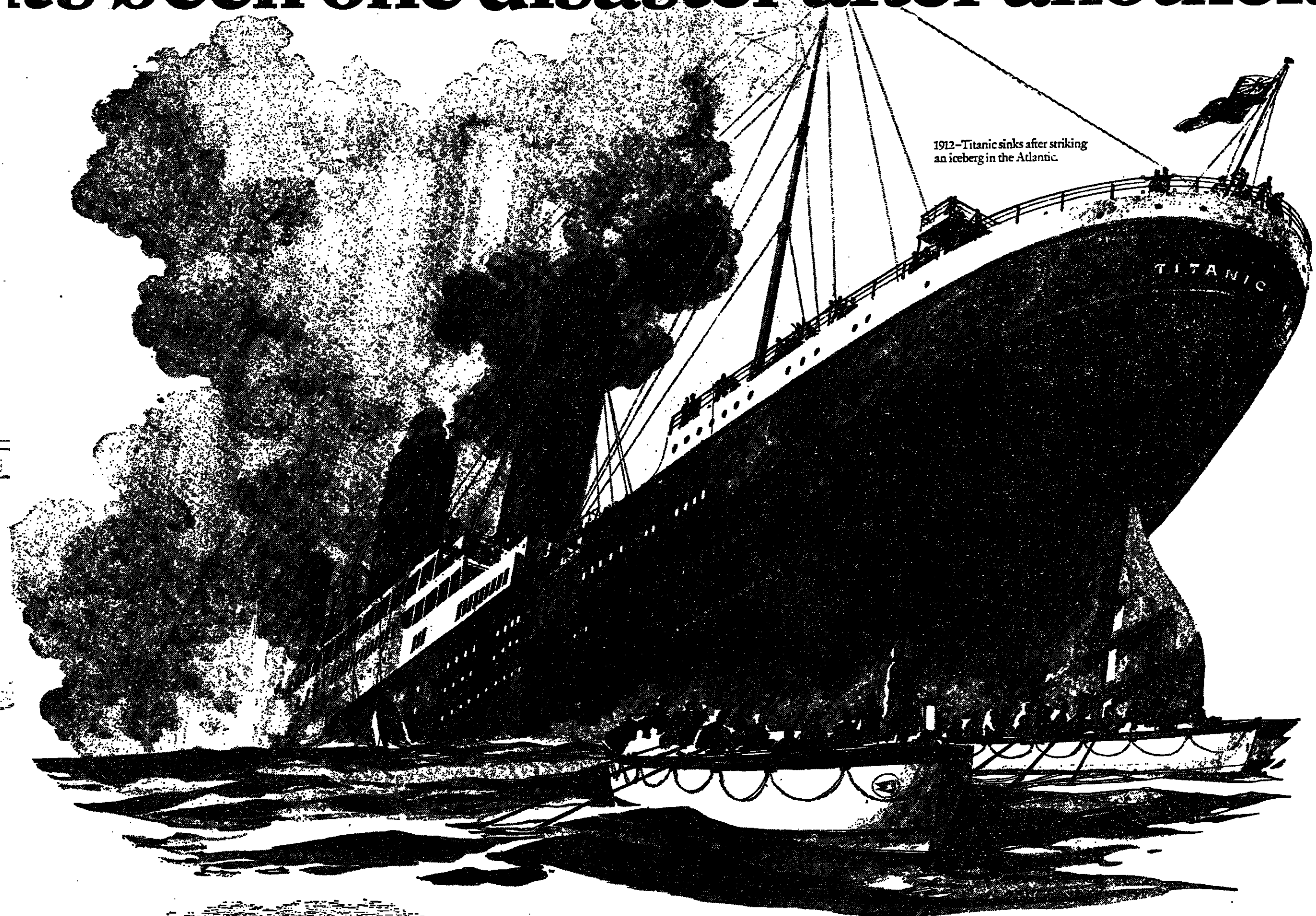


1975-Cargo ship rams Tasman Bridge, which collapses onto the ship, sinking it.

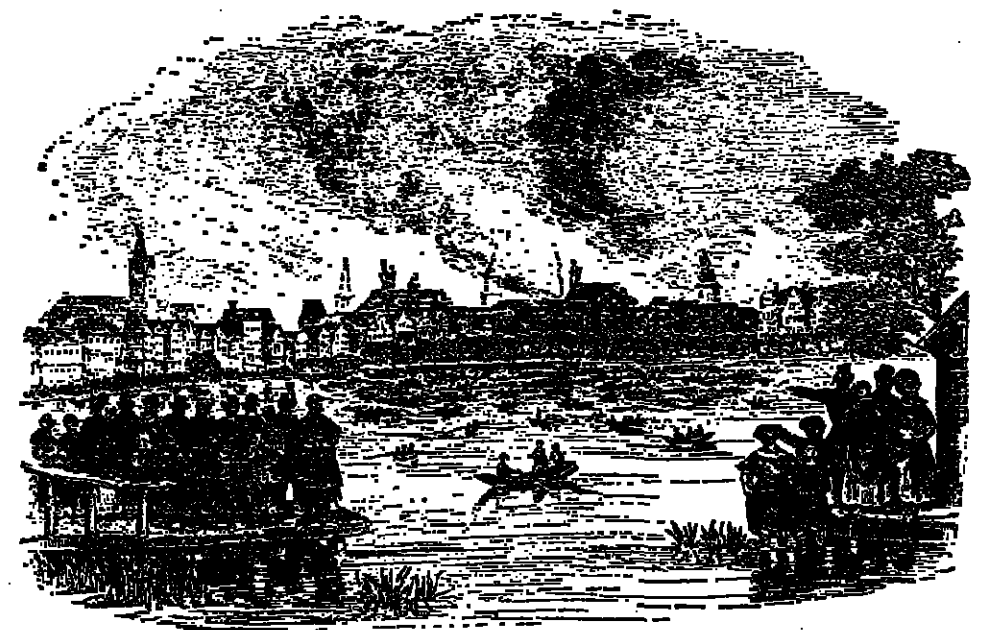


1953-Heavy rain and high tides along the East Coast cause the worst flooding in living memory.

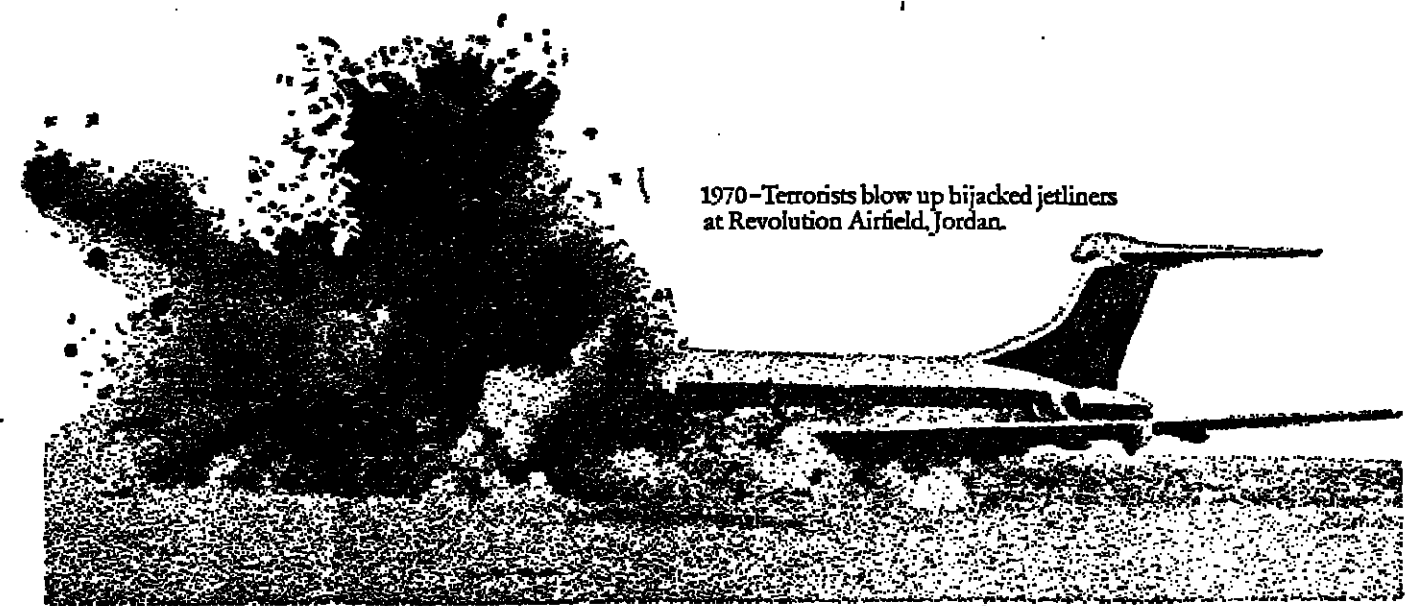
Since we started in business it's been one disaster after another.



1912-Titanic sinks after striking an iceberg in the Atlantic.



1842-Much of Hamburg destroyed following the 'Great Fire'.



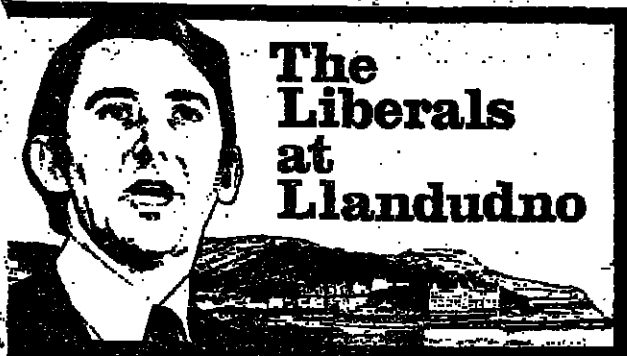
1970-Terrorists blow up hijacked jetliners at Revolution Airfield, Jordan.

Even in the best run businesses, the occasional setback is bound to occur from time to time. Now if you're thinking that we appear to have had more than our fair share, we would point out that we've been in the insurance business for over 255 years. So it's not really surprising that we've been involved in some monumental disasters.

Yet in each instance we paid up without quibbling or delay. And this fact has undoubtedly helped us to become one of the largest insurers in Britain. Because nothing does more to enhance the reputation of an insurance company than a demonstration of its ability to pay up when things go wrong.

Because when it comes down to it, isn't that what the insurance business is all about? Head Office: Royal Exchange, London EC3V 3LS.

Guardian Royal Exchange Assurance
A good name to insure with.



The Liberals at Llandudno

Report by Philip Rawstone and John Hunt

Freud condemns schools motion as 'spineless'

DEBATE on education, one of the most important items on the Liberal Party's agenda, collapsed yesterday after Mr. Alan Freud, MP for the Isle of Wight, and former party spokesman on education, tried to pre-empt it by moving a motion of Standing Orders.

There was loud applause when he condemned the 61-line education resolution from East Hampstead as "spineless, boneless and like a jellyfish".

Freud's tactics provoked a reaction from Mr. Geoffrey Howe, MP for the Isle of Wight, who said the motion was "a disgrace to the party". He said the party should not be "spineless" and should not be "like a jellyfish".

Freud's motion was narrowly defeated in effect, he achieved his aim when the resolution was justly referred back after hours of debate.

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Vote system must not deter us, says MP

THE LIBERALS will join other EEC Liberal parties to contest the direct elections to the European Parliament on a common programme.

By an overwhelming majority, the Assembly ratified the party's membership of the Federation of Liberal and Democratic Parties of the European Community, formed earlier this year.

With the decision came a warning from Mr. Russell Johnston, MP for Inverness, that the party could not afford to boycott or disrupt the elections as a protest against the British electoral system.

Mr. Johnston, who declared his intention to stand as a candidate for the European Parliament, said there was a real possibility that the Liberals could poll millions of votes in this country without winning a seat.

"Understandable reaction is that many Liberals are calling for disruption of the elections and some are even calling for their boycott," he said.

"But we fought for Europe. We were, and are, the party of Europe," he said. Liberals could not abandon their long-held hopes of a supra-national grouping.

"That we will face a system whose bias is grossly unjust seems inevitable and I blame no one who is driven by unhappy frustration to some sort of civil disobedience," he declared.



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"But as a party, we can no more dodge the challenge of these elections, than, on the same system, we dodged the domestic challenge after the disaster of 1970."

"What we did then was to fight back and four years later, to garner 61m votes. It was that achievement which, more than any other single thing, has brought electoral reform to the centre of political debate in this country."

Mr. Richard Moore said that the forming of the federation was "a great development in political democracy" that would carry Liberal policies across national frontiers.

But there were criticisms from Young Liberals of the policies of some of the Liberal Party's new partners in the federation.

Prof. Michael Fogarty also issued a warning to delegates against the "fanatically anti-religious" attitudes of some of the European parties.

Mr. Kenneth Vane, party chairman, and Miss Margaret Holmstedt, international liaison officer, assured the Assembly that the party's conditions for joining the federation had been fully met.

"There is a real Liberal family in Europe," said Miss Holmstedt.

Equal pay pursuit wins full support

THE PARLIAMENTARY Liberal Party will be pressing the Government to take tougher measures against companies which discriminate against women workers as a result of an emergency resolution passed at the assembly yesterday condemning the dispute at the Trico-Folberth factory in Brentford, Middlesex.

The women workers there have been on strike since May 21 claiming that their male colleagues get £8.50 a week more in basic pay.

The resolution, passed unanimously, commits the party to support the strike and calls on Liberal MPs to raise in Parliament the appointment and functions of the equal pay tribunals.

The MPs are urged to press for action against "the many acts of blatant discrimination against women currently exemplified by the dispute at Trico."

Moving the resolution, Mr. Alan Sherwell, of Hackney North, a member of the Society of Post Office Executives, said that Trico was an American company and U.S. companies had a very unsatisfactory attitude to trade unions. Such companies took the line, "If you don't like what we are doing, then we will get out of the country."

The women, he said, had only come out on strike at Trico after 12 months of frustration in presenting their case. They were now existing on £10 a week strike pay. "They have done a bloody fine job and they deserve our support," Mr. Sherwell declared.

Mr. Richard Wainwright, MP for Colne Valley and party spokesman on trade and industry, said that Liberals had always maintained that the Equal Pay Act was a fraud and this was now being borne out by the Trico dispute.

Calling for full support for the motion, he said "We now see that the Equal Pay Act means nothing of the sort."

In its eventual form, the rest of the resolution called for the retention of a major spending Department of State for the health service but with devolution of full executive control of the service to elected assemblies in Wales, Scotland, Northern Ireland and the English regions.

Responsibility for maintaining standards would rest with central Government.

Mr. Robert Sheldon, Financial Secretary to the Treasury, said that differentials here were narrower than in many Communist countries, including China and Poland.

The consequences for the economy were extremely serious. They went well beyond the important question of fairness to the people concerned. The quality of management was one of the most important determinants of economic growth.

The country needed a free transfer of experience between industries, the most important single step to increasing economic growth, but trying to fix a gross salary to attract the right people either resulted in a deplorable after tax increase or a distortion in the salary scale. So there was mass emigration of managers, technologists and professional people.

The only way to create a proper system of rewards and incentives was to have clear pre-tax differentials and lower direct taxes. Tax levels in Britain should be lowered at least to the average of the other EEC countries.

Finally, Sir Geoffrey attacked the political myths of the Left which, in considering rewards and remuneration, ignored inflation and taxation altogether and completely disregarded what happened overseas.

The persistent cult of egalitarianism, if pursued further, would pauperise this once proud society.

He attacked what he called the "Healey illusion" that job satisfaction was all and that material rewards did not matter. Although most managers found satisfaction in their work, the prospects of material reward remained a powerful motive in a free society.

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Race prejudice denounced with passion

THE LIBERAL Assembly yesterday regained some of its confidence in an aggressive stand against racism. For the first time here, delegates found an issue on which the party's traditions still far outweighed its doubts and uncertainties.

Spreading their resolution across green, yellow and white papers, they committed themselves to an uncompromising campaign against colour prejudice and discrimination.

"Racism degrades and diminishes the community," Mr. Gordon Lishman declared as he opened the debate. "It is a challenge to liberalism that the party must take up."

And the Assembly responded with a rare mixture of passion and practicality. Perhaps the most enthusiastic of all, it responded to the opportunity to do something rather than merely debate it.

"Less talking and more walking," said Mr. Ian Stewart, leading the applauding delegates off the political sidelines into a comprehensive programme of community action.

The Liberal Party has got to fight and fight damned hard to beat the National Front, and stop its spread in this country. It is dangerous and it is evil," said Mr. Cyril Smith, urging them forward.

There were few laggards—and even those were well in advance of the Government's policy despite some concern about the reactions from the doorsteps.

While out in front, Ruth Addison and the Young Liberals carried the party's tradition to the point of advocating an open door to all and any immigrants.

Racism led on faint-heartedness, they said. But it was also bred from real problems—bad housing, poor educational facilities, unemployment. Mr. Andrew Gouldchild retorted. Until these social conditions were improved by a massive programme of urban aid and renewal, more immigration would simply lead to more racial tension.

Lord Vauxhall finally settled the delegates to a reasonable pace with a vote for maintaining immigration controls while riding the present system of what he called his "racial bias."

The Assembly pressed for an immediate amnesty for illegal immigrants and set its long-term sights on a gradual removal of the barriers to the worldwide free movement of people.

Mr. David Steel (left), party leader, in conversation with Mr. Richard Moore, former political secretary to Mr. Jeremy Thorpe and prominent in Liberal policies, towards Europe.

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Demand for democracy in the Health Service

A RESOLUTION calling for democratic control of the National Health Service together with a large measure of supervision by bodies chosen by the electorate was passed overwhelmingly.

It was accepted despite an angry protest from Mrs. Kina Avebury, Parliamentary candidate for Orpington and wife of Lord Avebury who, as Eric Lubbock, originally won Orpington for the Liberals in a famous by-election.

Criticising the vague nature of the resolution, she declared: "I am getting sick and tired of working in a vacuum. It is a useless resolution. We want a decent policy and decent machinery within the party to promote policy."

She argued that the resolution ignored the policy documents issued by the Government in recent months. It merely reiterated the Liberals' worthy and well-known commitment to participation and devolution.

Speaking for the motion, Dr. Jim Harris, a general practitioner and Parliamentary candidate for Selby, said the motion embodied a radical, some would say revolutionary, proposal.

"It is time the people ran the NHS. I have heard talk of crisis in the service for years now. But I have never seen any real evidence that any Government is prepared to do more than talk about it."

Mr. Robert Sheldon, Financial Secretary to the Treasury, said that differentials here were narrower than in many Communist countries, including China and Poland.

The consequences for the economy were extremely serious. They went well beyond the important question of fairness to the people concerned. The quality of management was one of the most important determinants of economic growth.

The country needed a free transfer of experience between industries, the most important single step to increasing economic growth, but trying to fix a gross salary to attract the right people either resulted in a deplorable after tax increase or a distortion in the salary scale. So there was mass emigration of managers, technologists and professional people.

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The Property Market

BY QUENTIN GUIRDHAM

Counting the cost of Slater, Walker's properties

THE accountants who investigated Slater Walker Securities did not look into the past history of the property division. But a committee of three, appointed by the post-Jim Slater board to run the property subsidiaries, gave this side of the business a clean bill of health. The committee concluded, and the accountants concurred, that the property division "was conducted professionally."

The three-man committee was John O'Donnell, who ran the division until his resignation, his remaining link with SWS being £280,000 of personal loans and mortgages; John Hackman, the Rothschild's assistant manager who moved to that bank's client, Keith and Henderson, as joint managing director (the K and H board last week agreed the raised offer from Walfare Insurance); and N. J. M. Spurrer, a director of Argyle Securities—in which Sir James Goldsmith's Generale Occidentale is currently bidding for the shares it does not already own—and a former colleague of O'Donnell, since O'Donnell was office Argyle's chairman in the days before SWS swapped con-

trol of the company in a Slater-Goldsmith deal of some complexity. Hackman and Spurrer are now the chairman and deputy chairmen respectively of Slater Walker Properties.

The professionalism which this committee noted has not prevented the property interests from being one of SWS's main continuing worries. Take, first, the position at the end of 1975 which the team from Peat, Marwick, Mitchell and Price Waterhouse studied.

There was a portfolio, most of it in cost, with a book value of £75.3m. The big items were the Oyez House development in Fetter Lane, London, E.C.4, with a book value of £17.5m., three Brussels offices totalling £12.4m., and with outline planning consent for houses at Wokingham, Berks (£5.6m.), a sporting estate in Scotland (£2m.) and three Paris offices (£4.4m.).

All these are classed as investment properties and, with the exception of the building land, interest is capitalised. It is also, in the main, rolled-up. The development programme is not funded, in the long-term sense, but done on bank borrowings, most of them from Slater Walker itself. So in September 1975 the £75.3m. portfolio had borrowings of £60.8m., and Goldsmith's Generale Occidentale is currently bidding for the shares it does not already own—and a former colleague of O'Donnell, since O'Donnell was office Argyle's chairman in the days before SWS swapped con-

The accountants, plus the property committee, thought a provision of £14.8m. appropriate, leaving a worth of £60.5m. against borrowings £60.3m. higher. The

gross income from the properties, at the end of last year, was running at only £1.5m. a year. Hence before any losses treated as exceptional or extraordinary items in the accounts, and with most interest being rolled up, the property interests are shown as losing £1.9m. in 1974, £2.4m. in 1975 and, so the investigating accountants thought, no chance of the situation changing this year.

The picture, then, is of a development portfolio, bought in a bull market—though with some items, including Oyez House, bought at what looked like good prices because they came through share takeovers—and with the building done in the period of highest cost escalation. Against this, there is little rental income to balance bank financing charges.

Specific

In practice, what the directors did in presenting the 1975 accounts was to show a £3.5m. write-off on the dealing properties and a net loss of £1.7m. on sales of investment properties, both these taken into the profit and loss account while, in assessing the fixed assets, including a £8m. general provision against properties plus on assets sold since the year-end, specific provisions to include those properties at what they actually fetched: the margin by which sale prices fell short of book values is indicated by freehold properties making up £3m. of the

£3.4m. of specific provisions needed to cover sales totalling £7.7m.

The directors state that they did not commission an independent valuation because it would have been "irrelevant, there being no intention of selling these properties in their uncompleted state." The auditors duly qualified the accounts.

As auditors, Arthur Young, McClelland Messers, have taken the obvious line in providing that qualification. Opinion of the directors' action, when, in apparently clearing the decks they still did not want an independent valuation, will vary widely. In the circumstances, it was perhaps the pragmatic answer to keep the property side in play on a cost-minimisation basis. With an in-house banking arm taking deposits to finance an in-house property company, there is little comparison with a conventional property company, though if the comparison must be drawn, the evidence of these figures suggests failure.

In the particular structure of SWS, what happened was, according to the investigating accountants report, that a policy of retrenchment was followed from early 1974. The exception was a "successful increase" in flat break-ups.

The various geographical ends of the property exercise took the message at rather different speeds apparently. Certainly the U.K. side made some reasonable sales, including the Hayes estate and some of the smaller office projects being marketed in 1974. But the Channel Islands subsidiaries were slow to begin retrenchment and the accountants' report singles out "inadequate control of purchases" to explain how quickly the group had grown in property. While the sale to Hill Samuel in 1973 would have been masterly timing, the entry to property was wrong. To have ended up flat-breaking was to finish where the others began.

ments must be completed. Since September last year, £1m. plus interest charges has been spent with another £4m. to go. Two of the Brussels developments have been completed and Oyez House is just being finished. The letting of these three is obviously crucial, but even with a quick letting of these three called the "Fetter Lane" at something around £10 a square foot, which would be exceptional, there must be a drop of a third from its original book value.

Disposal

The sales programme has achieved £18m. since September last year, with two of the Paris office and the Scottish estate gone. But the sales can represent no more than a disposal exercise, there would not, even if this was desired, be anything left to build on. When the investigating accountants were making cash flow projections, they said the key element was the rate at which assets, particularly property ones, could be realised in order to fund the revenue drain and repay the bank's deposits and drawings under the Bank of England facility. "On the assumption that the Bank of England guarantee was not called upon, it was unlikely that the cash inflow generated by asset disposals would reduce drawings under the Bank of England facility in 1976," they said.

So Jim Slater's direct property interests must be showing a large loss, apart from some disastrous property loans. He went late into property. At the time of the proposed Hill Samuel merger, when SWS's asset base was questioned, he protested that the last balance sheet did not reflect how quickly his group had grown in property. While the sale to Hill Samuel in 1973 would have been masterly timing, the entry to property was wrong. To have ended up flat-breaking was to finish where the others began.

Sydney's 4m. sq ft oversupply

PARTNERS from the Richard Ellis group in Australia are in London giving their view that there is a collapsed market in office space. The investment market never closed down to the extent to which it did in Britain in the recession, they say. Also the industrial and retail markets held up well, quoting 50 per cent. rises in industrial rents in some Sydney buildings over the last three years and a rise in the price of industrial land in Melbourne which equates to 9 per cent. a year for the past decade. There is a suggestion that retailing rents, having in some cases enjoyed similar rises, may now have peaked, but the growth of turnover rents, particularly in regional shopping centres, continues to attract the institutions. The office story, however, is very different. In Brisbane the balance is real, and in Adelaide there is no real oversupply, but Melbourne has 2m. square feet on the market, which may take until 1980 to take up. And in Sydney, the figure is graining projects nearing completion around 4m. square feet. The date for take-up is put at 1981.

The office rental outlook, therefore, has something in common with Britain. Apart from the odd mammoth project like Abbey Capital's Capital Tower in Melbourne or NEPC's Exchange Centre in Sydney, which are still to be completed, having been started before the virtual doubling of building costs in 1974, the only schemes going up now are bank or insurance offices, largely for owner occupation. One is shown on the right here, the Collins Place complex in Melbourne, and 500m. project which will house the ANZ Bank's national headquarters, Richard Ellis, Sallmann and Seward are consultants on this.



In theory, when the current supply of speculative space goes off the market, there should be some sharp shift upwards in rents. But an Ellis chart of top offices shows rents static since 1972-73, with the projection that they will stay there at least until 1980. However, they maintain that premium rents are still obtainable. Renewed leases in BHP House, Melbourne, have fetched \$10 a square foot and in the 570,000 square foot, AUI Centre, Sydney, Ellis says it has 40 per cent. let at between \$8.40 and \$12 a square foot, with another quarter of the space being negotiated.

OUT AND ABOUT

● Warrington New Town Development Corporation, advised by Bernard Thorne and Partners, has arranged forward letting of a 112,000 sq. ft. industrial development with the Al-Brewer Pension Trust, advised by Debenham Tewson and Chinnocks. The development will be part of the Grange Employment Area by the M6. Units will range from 2,500 sq. ft. to 15,000 sq. ft. and completion is scheduled for June next year. The transaction, which involves a redemption of around £50,000, has been arranged on a lease-back basis, with the development finance being repaid.

● A 52,000 sq. ft. warehouse on the Lea Valley Trade Estate at Edmonton, London, N18 has been let to Stone Furniture. The landlords, P. FAGGS, negotiated the surrender of the head lease and the premises were immediately relet on a phased let rental basis. The building was previously occupied by a sub-lease by Liptons, who has transferred this distribution function to Leighton Buzz Chamberlain and Williams, re-rented Stonehill and Jones at Wootton the unit trust.

● At this week's Healey-Baker sale at the London Auction Mart, from which 13 lots were sold prior to auction, the lot at West Warrington, which was sold for £150,000, was the highest price achieved. The lot, which was sold for £150,000, was the highest price achieved. The lot, which was sold for £150,000, was the highest price achieved.

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Stratford, E15. Factory for sale.	97,000 sq. ft. on 2.75 acres.
Barking, Essex. Warehouse/factory units to let.	7,000 – 59,000 sq. ft.
Southampton, Hants. Factory to let/for sale.	10,250 sq. ft. 10,000 sq. ft.
Orpington, Kent. Factory/offices leasehold for sale/no let.	30,500 sq. ft.
Kirkby, Merseyside. Industrial site for sale.	14.5 acres.

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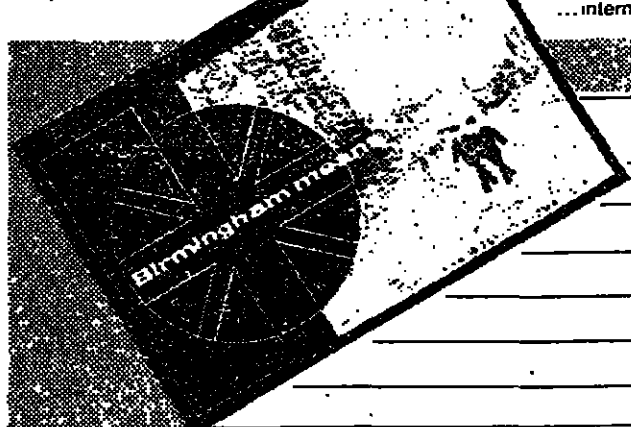
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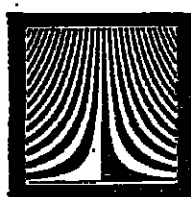
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The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

MACHINE TOOLS

Milling massive turbine blades

RIGID of Rorschacherberg, Switzerland, has completed a new design of five-spindle machines for milling the aerofoil section of large turbine blades.

The method of operation is by an advanced type of circular milling, that is, rotating the blades and master by a synchronous drive and milling the complete blade profile, using the company's electronic copying system to produce an accurate profile. The rotational speed and feed is governed by an adaptive control system which has a sensing unit fitted to each of the work stations.

Components are mounted horizontally in the vertical plane with the copying model in the uppermost position above the work stations, thus providing easy loading and efficient chip removal.

The machine can be arranged with either five, four, three or two working stations to accommodate blades of aerofoil lengths from 1250 to 2000 mm and chord widths from 250 to 650 mm.

Both ends of the blade are driven, a separate oil motor being mounted at each end with synchronous control, thus avoiding the possibility of torsional problems during the cutting cycle.

The cutter spindles are fitted with 30 hp drive and electronic control of the centre

distance between the cutter centre and the blade axis ensures constant copying speed relative to the blade profile.

At the start of the cutting cycle, the cutters are fed to the desired depth by a starting cut being engaged, the complete cycle being fully automatically controlled.

Design improvements in this machine give reductions in machining times of the order of 50 per cent, when compared with conventional circular milling and it is understood to be the largest machine built to date for the production of large turbine blades.

Rigid, CH 5400, Rorschacherberg, Switzerland.

Micros go into tool controllers

ONE OF the principal Siemens exhibits at the MACE 76 exhibition at Birmingham next week will be a new generation of computer numerical control equipment using microprocessors.

Designated Sinumerik System-5, the controllers combine the flexibility of conven-

tional computer-based systems with the low cost of microprocessor technology. The equipment are available as three variants, System-5D (drilling), 5M (milling) and 5T (turning), for use on machine tools with dc servo-motor feed drives. System-5D is a three-axis positioning and straight-line milling control for drilling/milling machines while the 5M is a four-axis control for straight and continuous path use on milling machines and machining centres; and the 5T variant for the continuous-path control of lathes. A typical starting price for a System-5 equipment is £5,000.

Although the three System-5 variants are intended for different applications, they are identical in construction, even down to the printed-circuit boards. The control application is determined by the software of application; whereas conventional nc systems use hard-wired, special-purpose logic to control the machine tool. Because nc uses easily altered computer software, the amount

of hardware in one equipment is less and therefore system reliability is improved owing to the fact that there are fewer components to fail.

Further, from the company at Great West House, Great West Road, Brentford, Middx., TW8 9DG (01-888 8133).

TEXTILES

Challenge to hessian

DEVELOPMENT of an alternative for the traditional hessian secondary backing, found on many carpet qualities, means that, for the first time, the carpet industry is offered the possibility of a completely synthetic carpet.

If experience to date can serve as a yardstick, it would seem that ActionBac, a subsidiary from Amoco Fabrics, could win ready acceptance from carpet manufacturers, installers and retailers particularly as average seam strength for ActionBac has been monitored at 203 lbs as opposed to 155 lbs for jute.

Strength and resilience of ActionBac is demonstrated in on-location stretching, where installers have found that minimal effort is needed to obtain normal dimensions. This factor has contributed to the rapidity of the installation process.

Average poundage recorded during carpet strength tests was 257 in the warp and 311 in the filling; figures which compare very favourably with 191 lbs in the warp and 200 lbs in the filling recorded for jute-backed carpet.

Amoco (U.K.), Lynnefield House, Church Street, Altrincham, Cheshire, M61 7SB 6616.

TRANSPORT

Automated engine test unit

A NEW generation of pressure-controlled hydraulic dynamometers, incorporating electronic switching for quick and precise selection of operating modes is launched in the U.K. by Carl Schenck.

Designed as a compact, simple but strong high-power engine test unit the D series can be computer controlled, enabling transient as well as steady-state conditions of engines to be measured. Capable of handling power outputs of 250 to 20,000 kW, these new dynamometers have been introduced against a background of growing demands for automatic testing and for systems to handle the high power outputs of modern engines.

Torque and speed are electronically controlled and an electronic control unit for pre-selection of the various curve characteristics is part of the basic system. This provides precise selection of the working parameters and enables fluctuations in the water supply to the brake to be automatically corrected. Electronic control, electrical data input and quick reaction to load changes make the D type dynamometers particularly suitable for automatic programming, and the generous dimensioning of all machine components and the use of non-contact seals guarantee an unusually high life expectancy, even when the units are used for endurance testing.

Schenck now has in operation at its Ruislip plant an engine test cell, currently based on the eddy current dynamometer but easily adapted to any form of power absorption unit including the new D series.

Schenck (U.K.) operates from Stonefield Way, Ruislip, Middx. HA4 0JT. (01-841 1512.)

INSTRUMENTS

Philips in test gear thrust

STILL not an over-common sight on U.K. electronics test benches, Philips measuring instruments are nevertheless making an increasing impact and on a world basis the company now believes it is, for example, a close third behind Tektronix and Hewlett Packard in sales of oscilloscopes.

Its business in the scientific and industrial instrument area is modestly stated as "only a few per cent of the total Philips turnover of \$5,000m"; clearly, even if this percentage figure were unity the business would amount to \$50m.

The company has also been steadily hitting at the Americans on their own ground by building up over the last three years a

considerable sales and service network across North America. At the same time, in Europe, manufacturing has been carefully allocated to the most suitable countries and economies of scale are now believed to be considerable. For example, counters are made by the Swedish company, certain scientific instruments by Plessey at Cambridge and oscilloscopes in Holland.

Now the company has made a further thrust with the introduction of two new oscilloscopes and several counter/timers.

PM3243 is a lightweight compact 50 MHz oscilloscope with a pair of five multivolt sensitivity channels, the ability to multiplex one trace by another, and comprehensive storage facilities. The multiplication facility, which allows the display of the product and one of the original signals, is particularly useful for signal analysis and time comparisons. The multiplier output is also provided on a socket so that in conjunction with a DC voltmeter, a high frequency wattmeter is produced.

The tube used has persistence adjustable from 0.5 sec to 1.5 mins and there is also a "storage" control giving up to 15 mins retention. These facilities allow VLF signals to be shown without flicker, fast pulses with low repetition rates to be clearly seen, waveform trends to be observed and single shots to be analysed. The instrument weighs only 10.6 kg, measures 154 x 316 x 480 mm and consumes only 39 W from a wide variety of power sources including a battery pack. The price is £2,048. A 25 MHz 2 mV model (PM3212) without storage and multiplication costs £525.

Three accurate, high resolution counter-timers covering 90 MHz, 520 MHz and 1 GHz (PM 6820 series) have also been introduced, at a starting price with any of four crystal oscillators allowing accuracy/stability tailored to requirements. Time interval average measurements can be made down to one nanosecond with 100-picosecond resolution. There are two jena-



HYDRAULICS

Draws the water

SUBMERSIBLE centrifugal pumps for extracting water from boreholes, wells, reservoirs and rivers are being marketed by British Guinand Pumps, a Kernan Drive, Loughborough Leics.

They can be supplied with mixed flow or radial impellers and are available in five sizes in cast iron or stainless steel, 8 in., 10 in. and 12 in. diameter with motors rated from 0.5 to 150 hp. Capacities vary from one gallon per minute to 1,500 gallons per minute at heads from 50 feet up to 950 feet.

The pumps and motors are directly coupled to form a single unit which is supported by a rising main; there is no need to any special preparation of the well.

Hand pumps from France

A RANGE of hydraulic hand pumps and cylinders, made in Union, France, is being marketed in the U.K. by Weatherhead Manufacturing Co. (England) Windmill Grove, Wincor St. Lane, Portchester, Hants (PO14 7SS), an AGA group company.

The pumps, with application in industry and agriculture, have steel bodies with a range of options, such as special coating for use with water.

Pressures range from 140/1000 bar, and the pumps have outputs up to 15.6 cc/stroke. Tank capacities range between 1 and 6 litres.

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nord lux balance sheet 76

(abbreviated form) as per March 31st

ASSETS	in million US\$	LIABILITIES	
Claims on banks	228	Liabilities to banks	455
Bills discounted	10	Deposits of customers	95
		Capital + Reserves	
Advances to customers	241	share capital + reserves	20
		conting. prov.	6
Securities	98	Other liabilities	6
Other assets	8	Total net profit	3
Total	US\$ 585	Total	US\$ 585

The shareholders have decided on the Ordinary General Meeting to pay a dividend of 8% (US\$ 0.75 millions)

ACTIVITIES

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- international money dealing
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(A Company Registered in Hong Kong)

Balance Sheet at 31 March 1976 (figures in HK\$)

	1976	1975
Fixed Assets	\$ 96,784,061	\$ 97,822,437
Quoted Investments	1,068,893	1,255,185
Mortgage and Instalment Debtors, receivable after one year	1,998,827	3,634,020
Long Term Receivables	1,243,385	2,954,176
Current Assets	\$24,933,507	\$22,520,838
Less: Current Liabilities	7,103,883	6,756,162
Working Capital	17,829,624	15,764,676
Less: Interest on Instalments, due after one year	353,137	745,157
Long Term Liabilities	5,872,054	7,533,852
Total Shareholders' Funds	\$112,936,689	\$113,151,185
Represented by:		
Share Capital	\$ 71,875,000	\$ 71,875,000
Reserves	41,061,689	41,276,185
	\$112,936,689	\$113,151,185

Profit and Loss Account

	1976	1975
TURNOVER	\$ 34,301,771	\$ 15,105,491
Profit after taxation	\$ 9,080,407	\$ 7,926,778
UNAPPORTIONED PROFITS, brought forward	2,292,055	2,990,277
PROFITS AVAILABLE FOR DISTRIBUTION	11,372,462	10,917,055
Dividends paid during the year	9,243,750	8,625,000
UNAPPORTIONED PROFITS, carried forward	\$ 2,028,712	\$ 2,292,055

The accounts and further information are available from the Registered Office of the Company:
107 New Henry House
Ice House Street
Hong Kong

POWER

Middle weight trunking

VANTRUNK ENGINEERING, which has achieved a turnover approaching £2m, in pioneering the ladder type of cable trunking in the U.K., has introduced a third range called Vanspan.

It is intended to fill in a market space between the two existing ranges, Vantrak and Vanrak, which are intended for larger and smaller applications respectively. Managing director Mr. N. Proudlock describes two main objectives: to lower overall costs of major installations by utilising Vanspan instead of Vantrak where the latter's high strength/weight ratio is not required, and to make the company more competitive in the European market where much shorter support spans are normal and Vantrak is unnecessarily strong.

Vanspan has a load carrying capacity about half that of Vantrak but double that of Vanrak. It is available in widths from 150 to 600 mm and will sell at about 1/3 the price of Vantrak.

The company stresses that the new trunking is not just a cost-reduced version of the existing large sizes. Fabrication techniques are the same. More from Edinburgh Place, Harlow, Essex CM20 2DJ. (0279 24552).

COMPONENTS

Transistors for TV

MOTOROLA has announced NPN silicon transistors designed for high-voltage video applications in television receivers. Particular features are the high breakdown voltage and low capacitance.

Devices are designated BF391, 2 and 3 and at collector currents of 1.0 mA DC the collector-emitter breakdown voltages are 200, 250 and 300 V DC respectively. Power dissipation is low, no heatsink is needed and the devices are relatively cheap.

Designed into a class AB video output stage, they provide better performance than can be achieved in the classic class A approach. The circuit is also directly driveable from the colour demodulator MC1327 and can itself drive precision line tubes. More from Empire Way, Wembley, Middx. HA9 0PR (01-902 8838).

SERVICES

Speeds heat exchanger calculations

IN THE heat exchanger manufacturing industry, the number of quotations resulting in firm orders for equipment is about 5 to 10 per cent. To produce accurate quotations, it is necessary to carry out a mechanical design to the appropriate code of practice and also, on occasions, produce drawings.

The calculations related to the codes are frequently complicated and laborious, and always time-consuming, often taking four or five man-days to complete. Furthermore, considerable delays

can occur when the design section becomes overloaded due to a surge in the demand for equipment, with the result that orders can be lost due to the delay in producing firm quotations.

The National Engineering Laboratory, in co-operation with the Computer Aided Design Centre, has developed a computer approach to producing mechanical design details and drawings to speed the turn around time for quotations and also for manufacturing purposes. Currently the system produces designs to the ASME VIII/TEMA code and provides the designer with a number of options to enable him to make the best use of his company's resources.

The system can be operated either by leasing the software or by remote terminal access to the computer bureaux at NEL and SCICON, or by postal submission of coded input sheets to NEL. It is estimated that by using this system, design throughput can be significantly increased, the time reduced by tenfold and the cost per design reduced by about 50 per cent.

This system is being extended to produce detailed manufacturing drawings which can be used to particular company requirements. Further information can be obtained from Mr. I. Murray, National Engineering Laboratory, East Kilbride, Glasgow, who will arrange demonstrations of the system using the inquirer's own design data for comparison purposes.

NEL, East Kilbride, Glasgow, G75 0QU. East Kilbride 2022.

SAFETY

Smouldering fires seen from above

ONCE a forest or heath fire has been controlled there remains for some time the danger of a further outbreak occurring from insufficiently quenched areas, as many southern fire brigades found out recently. These "hangover" areas, as they are sometimes called, are usually difficult to detect, giving no indication of heat and perhaps accompanied by only as much smoke as a lighted cigarette.

A system in use very effectively in Canada and Sweden involves the use of infra-red detection equipment carried by helicopter which shows up all heat sources as bright areas on a TV-type screen. The equipment has been designed by AGA Infra-red Systems, and it is easily taken in and out of standard light helicopters.

The system consists of a portable camera and display unit, integrated with a superposition viewer, which allows the terrain to be viewed normally while hotspots caused by smouldering fires appear as superimposed bright spots. This method eliminates the possibility of incorrectly identifying false hotspots caused by solar heated rocks, bare ground, or even grazing animals.

In addition, during the active burning phase, the live presentation provides immediate intelligence through heavy smoke, providing a means to direct fire-fighting activities using hoses or water bombing.

Further information from AGA Infra-red Systems, Arden House, West Street, Leighton Buzzard, Bedfordshire LU7 7ND; Leonard Buzzard (05253) 75560.

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RESULTS FOR THE YEAR TO 31ST MARCH		
	1976	1975
Turnover	\$900	\$808
Profit before taxation	2,585	2,271
Profit after taxation	210	168
	99	81

Extracts from the Circulated Statement of the Chairman Mr. N. N. Kay, J.P., F.C.A.

The high rate of inflation during the year under review affected the liquidity of the Company, in that our cash deposits were utilised for the major part of the year to finance stocks and day to day expenditure.

During the year turnover was increased, although there was some reduction in the workforce. Again we have seen a rise in our export sales from £866,500 in 1975 to £770,720 in 1976, these exports being to worldwide markets. It has been necessary to increase Home Market selling prices to cover the higher costs of production which increased quite sharply, particularly raw materials and fuel, together with the service charges provided by the nationalised industries, such as electricity, telephone and gas, over which rises industry has no control.

The Government is encouraging the foundry industry to increase its investment in plant and machinery under the terms of the Ferrous Foundry Aid Scheme, and I feel Shareholders will be pleased to know that your Company is making application under the scheme in respect of new equipment we anticipate needing in the next few years.

DIVIDEND

The increased profit earned in the year justifies the Board again recommending an increased Dividend, which is limited to the maximum permitted amount making the payment equivalent to 10.89% gross, which increase will certainly be welcome to all Shareholders.

FUTURE PROSPECTS

In recent times there has been a marked decline in the volume of business in the foundry industry generally, although there are some signs of an improvement during this present financial year. Much depends upon how quickly the Government can control and reduce the present high rate of inflation, and on the value of our currency in international markets.

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- * ONCE AGAIN THE MAXIMUM POSSIBLE DIVIDEND TO BE PAID

The Management Page

EDITED BY JOHN ELLIOTT

A major U.K. construction company is exploiting its internal road transport expertise in a commercial project. Michael Cassell reports.

Laing reckons to avoid road haulage pitfalls

W PEOPLE would blame any falling and civil engineering company for deciding to diversify at a time when business in the home market has been once again turned on its head. But a number of eyebrows have been raised at the news that one of the biggest names in the U.K. construction sector, chosen the road haulage industry for its next new step.

Despite the dark mutterings some quarters, however, are apparently to the possibility of forsaking a long pan in preference to a Laing is characteristically confident that it can succeed where countless others continue fail in dramatic style.

In competition

Laingfreight, the name under which the new operation will be first come to light towards the end of 1979 when Laing used, after a brief contract arrangement to carry out an outside haulier, it could obtain work in competition with other contractors and on a commercial basis. Someone merely posed the question, "If we can make money with one or two vehicles, why not with 20 or more?"

The establishment of a road haulage fleet to compete in the marketplace was roughly considered by the company's group planning department and eventually a decision was put before the directors saw an attractive

opportunity to diversify—other decisions involved moving into building materials, oil-rig construction and furnishing and one more Board meeting was sufficient to get the new operation under way.

The company has effectively been operating since March and by the end of this year its fleet will include 20 tractor units and 30 trailers. The plan is to double these numbers by the end of 1977.

For the time being, operations will be based at Andover in Hampshire because of its proximity to the docks and the big increase in container traffic going through to Southampton. Within a 100-mile radius there are locations like Cardiff, the Thames Estuary and Birmingham for Laingfreight to draw on for business.

A second depot to extend national coverage for the company is due to be opened next year at Heywood near Manchester. Land owned by Laing has already been earmarked but Laingfreight is anxious to give its operations in the south a run-in period before the next phase in its expansion programme.

Mr. Charles Bowles, a Laing man with extensive experience in road transport and who has been appointed to the Board of the new company, has been one of the most enthusiastic supporters of the venture and believes it will prove the cynics totally wrong.

"Despite the well publicised difficulties which some road haulage operations encounter, the fact is that haulage is a



Mr. Charles Bowles, a director of Laing's new road transport company, who believes those cynical of the Laing freight project will be proved totally wrong.

growing market. Conservative estimates suggest that it will have to grow at a rate equivalent to the rise in gross domestic product and, in terms of units, a minimum additional 13,000 vehicles are going into the haulage industry every year," he says.

Mr. Bowles points out that although the arrival of Laingfreight accounts for less than 1 per cent of that annual expansion, the company can nevertheless claim to be a significant force in a market where nearly 90 per cent of haulage contractors own no more than five vehicles. The new opera-

tion is, in terms of fleet size, already among the top 1 per cent of contractors.

He emphasises that the massive resources which lie behind the new company will prove to be one of its major strengths. "The advantage of size is not to be underestimated. The numerous small men in the industry are going to come under increasing pressure as far as costs are concerned and the chances must be that many of them will simply not be able to cope. Compliance with new EEC regulations alone could prove to be the last straw for lots of operators."

Apart from financial strength, Mr. Bowles also stresses that Laing has been able to gain a valuable insight into the freight transport field not simply through its own transport system—it has about 750 vehicles—but via its role as a major customer which has to buy in a wide range of materials from different sources. This experience, he says, has provided the group with an awareness of customer requirements which many a newcomer would have to learn the hard way.

The new company will also be able to draw heavily on the other areas of expertise vital

to the venture's success. As Mr. Bowles points out: "Laingfreight intends to remain a self-contained operation. It does not intend to rely on the parent group for business and will want to prove it can make profits without inside help. A company will, however, be quick to capitalise on the knowledge already built up concerning the technical, mechanical, legal, commercial and industrial relations aspects of the job, which will prove invaluable."

Laingfreight knows only too well that it will be on trial in the eyes of its parent company and its customers and that its

parentage alone will not guarantee success. Mr. Bowles recognises that "customers take and will be able to naturally will want some experience of how we can perform."

That is not to say that it has failed to identify the major areas in which it expects to be working. Not surprisingly, a great deal of attention will be focused on the haulage of building materials where its expertise should count for a great deal. Other major targets are the movement of food, drink and tobacco and the transportation of iron, steel, and other metal products. Crude minerals—one of the largest product areas for road haulage—will, says Laingfreight, be happily left to the railways and their competitors.

As for profits, the new company—which will also be offering warehousing and storage facilities at Andover—is expected to be able to make "the required margin" on its operations by 1978.

Looking further into the future, Laingfreight has already carried out feasibility studies of freight handling by sea and air and while it feels that road haulage will for the time being keep it fully occupied, it has designs on eventual expansion in that direction.

As Charles Bowles sums it up: "We believe that, despite all the Jeremiahs, the prospects for making profits out of road haulage are good, providing the operator knows his business. Once our fleet is firmly established and the company wins a reputation for prompt and dependable deliveries, then we can progress to other things."

The general emphasis will be on containerised transport, especially as far as Andover is concerned. But Mr. Bowles is anxious to point out that Laing-

U.S. should have company self-regulation

BY MICHAEL LAFFERTY

SHARP contrast to frequent disclosures relating to the balance-sheet compared with 35 items in the U.K. In the profit and loss account the SEC requires disclosure of 53 items as against 37 in the U.K.

The U.S. experience, says Professor Benston, shows that once powers are granted to an active, regulatory agency, they almost never expand, "regardless of their demonstrated lack of efficiency for solving problems or propensity to create new problems."

The SEC was established in 1934 with authority to prepare and administer regulations governing the financial disclosures by the Securities Act, 1933 and the Securities Exchange Act 1934. Since 1966, the Securities law requires periodic reporting by all corporations that have more than \$1m. in assets and a single class of equity securities with more than 500 holders.

As instances of poor and apparently fraudulent reporting by individual companies have multiplied, the SEC requires 65 come to public attention the

SEC has extended its authority and influence. More recently, for example, the Watergate revelations apparently led it to require disclosure of illegal campaign contributions and into "suggesting" disclosure of legal, though perhaps immoral, payments—to Government officials.

In contrast, the U.K. Companies Acts simply list the items which must be disclosed, and the Department of Trade has not extended and has rarely interpreted the law. The Stock Exchange quotations department and the issuing houses perform an approximately similar function to the SEC—at least as far as company prospectuses are concerned.

The cost of financial disclosure in the two countries reflects the different structures. But Professor Benston estimates that "from one-half to two-thirds of all registration statements filed in the U.S. would not be required in the U.K. Last year the SEC is estimated to have employed about 2,200 staff at a cost of over \$40m. The combined staffs of the UK Stock Exchange quotations department, and the accounting bodies' technical departments is certainly less than 100.

Professional

Turning to the suggestion that the SEC with its lawyers, accountants and financial experts, must be more "professional" Professor Benston states that for lawyers in particular "a profession that deals entirely with the regulation of the securities industry (the 'securities bar') has developed."

He believes that experience shows that the multitude of men "aspect of the SEC's functions and regulations, court cases, releases, journal articles

and conferences generated by the SEC and the 'securities bar' has benefited investors only slightly, if at all. "The bar, though, does appear to have benefited."

Professor Benston acknowledges that proponents of the SEC system would argue that its benefits more than offset its greater costs, but then lists the alleged benefits and examines the advantages and drawbacks of each as far as both systems are concerned.

More flexible

As for adaptability, he concludes that the U.K. system can be more flexible than the SEC. "It has the power to adapt reporting standards to the circumstances of individual corporations, since it is not prevented by law or established precedent from waiving or adding requirements. The quotations department also can answer questions and resolve problems more quickly than can the SEC's staff because it need not be as concerned with uninformed criticism."

While the Stock Exchange may be presumed to act in the public interest, whereas the SEC and the accounting bodies may arguably act out of self-interest, Professor Benston states this is of limited value "because of the inherent self-interest of the securities bar and the SEC as a regulatory agency." In addition, he says that the SEC tends to suggest legislative changes that only increase regulation on the assumption that additional regulation almost always is in the public interest.

As to whether the "police" aspect of the SEC's functions and regulations, court cases, releases, journal articles

U.K. managers in demand abroad

ALTHOUGH demand for executives and managers in the U.K. has only recently been showing signs of picking up in some areas, a survey just published shows that there is a growing demand from overseas for U.K. managers.

The survey, carried out by executive search company Ores International, states that currently almost one-quarter of all management jobs advertised in the U.K. at salaries of £6,500 a year and more are for overseas appointments. And the company's managing director, Mr. Michael Webb-Bowen, suggests that this "clearly indicates a critical drain on Britain's greatest asset for future growth—good management."

He also feels that without

proper recognition by Government of managers and of the rewards for their professionalism and the responsibilities they carry there will be an accelerating exodus of management.

Categories

The survey, covering appointments advertised at more than £6,500 in the major national media employed for management recruitment, showed that the greatest demand for British managers came from Saudi Arabia, with 94 appointments in that country offered in the three months to August. The next highest demand came from Iran which accounted for 25 foreign international companies advertised jobs. Africa, and those head-hunted,

notably Zambia, was looking for a total of 59 U.K. managers.

Overall, says the survey, overseas enterprises are advertising nationally in the U.K. for managers at the rate of over 1,200 a year. And the sort of job categories covered include works and production managers, management accountants and marketing and sales executives. Mr. Webb-Bowen suggests that the high rate of managers attracted abroad through these advertisements is not the only problem facing the country. There is also a drain resulting in that country offered in the from managers transferred by subsidiaries, those moved by the U.K. companies to overseas sub-sidiaries, those moved by Iran which accounted for 25 foreign international companies advertised jobs. Africa, and those head-hunted,

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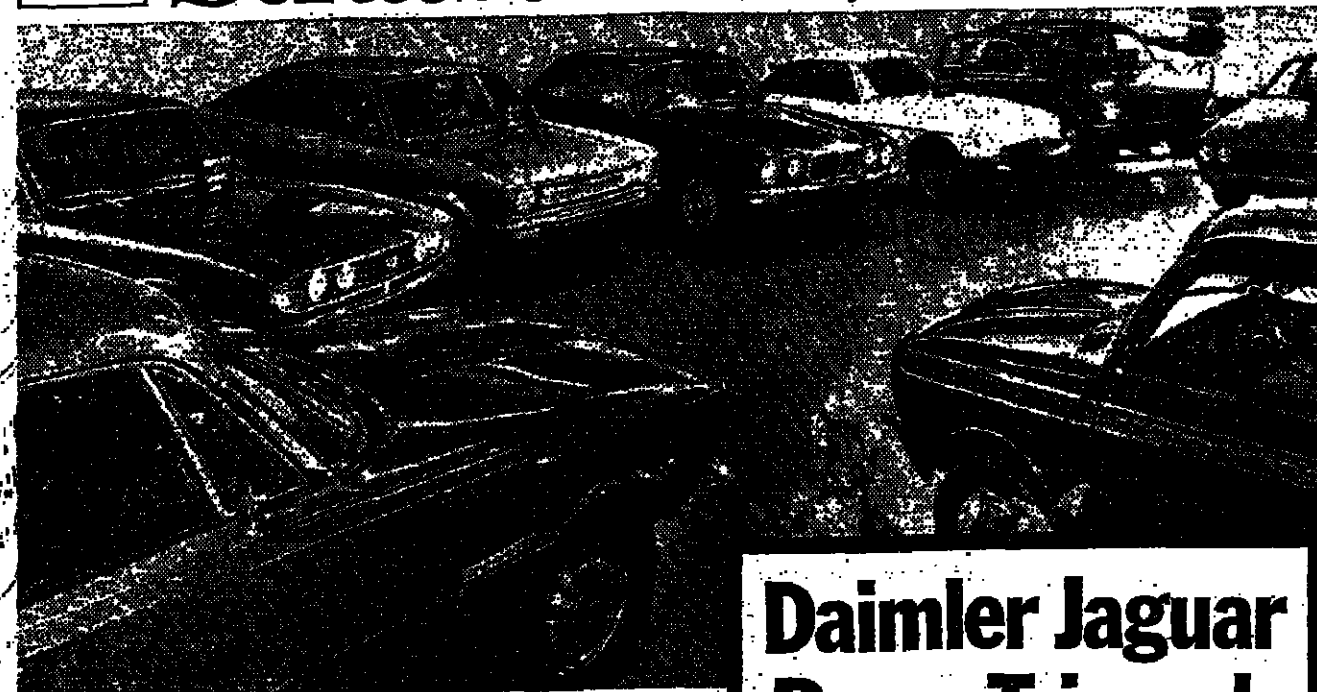
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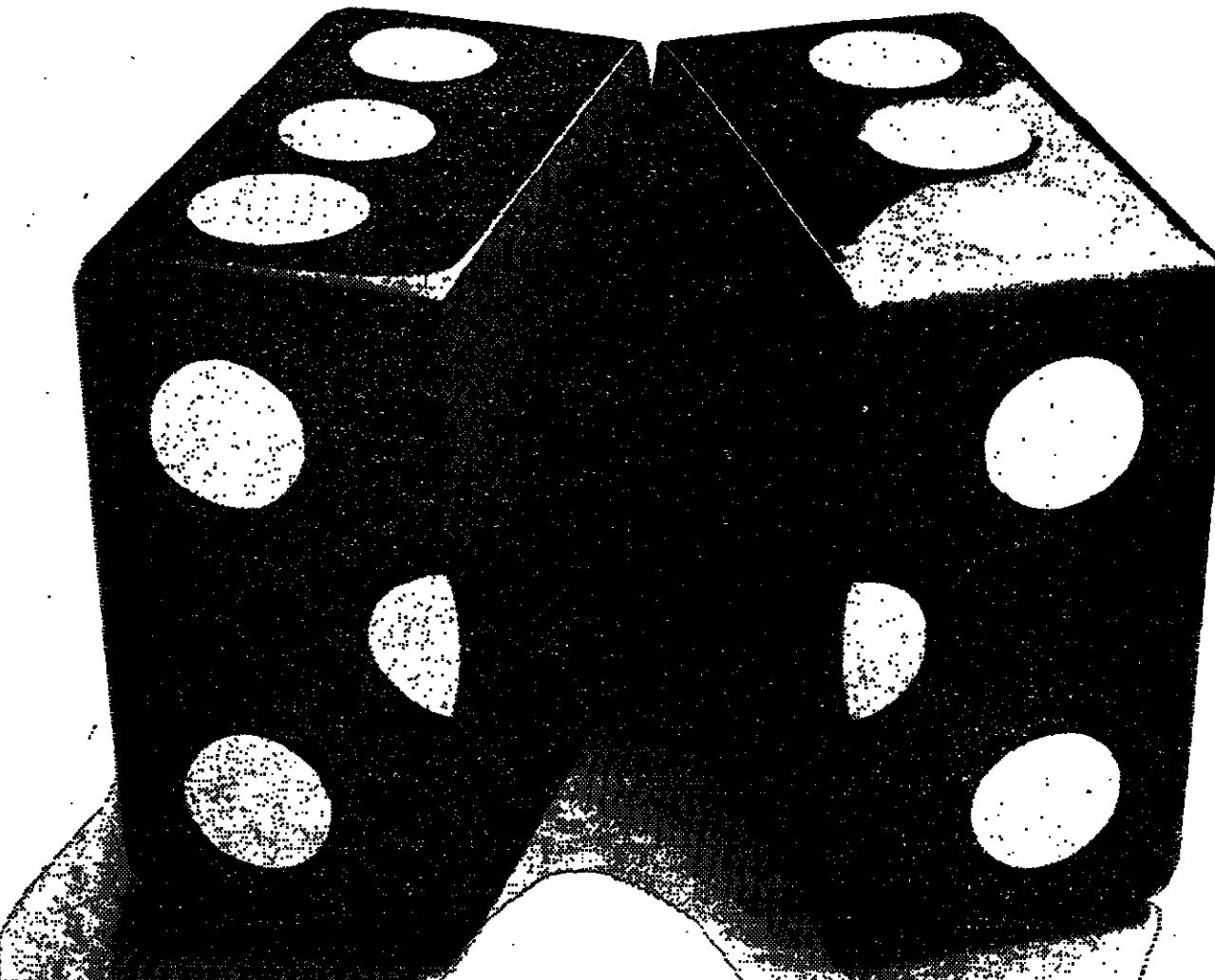
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FRIDAY, SEPTEMBER 17, 1976

Once again in slow motion

THE slow-moving drama of the present monetary crisis was carried a stage further yesterday with the call for an extra 1 per cent of special deposits. The precise motive for this move, as for earlier developments, is a little obscure. The authorities were possibly influenced by memories of 1973, the last time minimum lending rate stood at 13 per cent, when a call for special deposits proved so effective a demonstration of intent that investors immediately started buying Government stock, and half the sum involved was never actually called in. They may simply have been concerned to reinforce the effect of the rise in MLR on short-term interest rates in the market, in order to speed up the adjustment in long term rates which seems to have been the true domestic objective of the whole exercise.

Scarcely relevant

The one explanation which will not serve is that officially offered: the 15.1 per cent reserve ratio shown in the last banking figures is only barely relevant to the situation. The reason for this is that the whole financial system is now highly liquid, as a result of the failure of the authorities to fund more than a very small proportion of the borrowing requirement in recent months. Public sector borrowing which is not funded long term is represented by many kinds of asset; the banks hold only a small proportion in the form of reserve assets.

Among these "hidden reserves" — a treasure of the readily obtainable reserve assets elsewhere in the system — are Treasury bills held outside the banking sector, banking deposits in the money market which are not available at call, and the unused intermediation capacity of the discount houses. The published figures show that these sources of potential reserves totalled more than £1.6bn. in mid-July, and the subsequent fall in bank lending to the private sector suggests a further sharp increase in the month to mid-August. It is true that if the banks need to

activate any of these hidden reserves, they will have to offer a more attractive rate of interest on their own certificates of deposit; this powerful effect on short-term interest rates was described by Lord O'Brien as Governor in 1971, when the present methods of credit control were introduced. But with potential reserves almost certainly well over 20 per cent of eligible liabilities, the power of the banks to lend will not be significantly reduced by the present call.

To say this is not necessarily a criticism of the move; for if the true domestic objective of the present manoeuvre, a large-scale funding operation, is achieved, then the surplus liquidity of the system will quickly be mopped up; any larger call for special deposits would simply have to be reversed as the funding proceeded. If the authorities were actually worried by the level of private demand for bank credit, a new limit on the growth of interest-bearing liabilities — the "corset" — would offer a far more direct way of immobilising hidden reserves, and without raising interest rates.

Next move

However, the irrelevance of a 1 per cent call to the known potential reserve position of the banks does help to explain why the move carried so little apparent conviction in the markets yesterday; and investors are still awaiting the next move in this slow-motion repeat of earlier dramas. Since the whole affair is so redolent of the past, the climax will presumably come in due course with the offer of substantial new tap stocks offering whatever yield the authorities feel the market will buy. Were it not for the unaccountable inhibitions of the authorities, this could surely have been done much earlier, when it first became apparent that funding was lagging far behind requirements. Much uncertainty, and possibly the whole crisis of confidence which we are now suffering might have been avoided.

Another blow to the City's image

AFTER THE deflation of Slater Walker on Wednesday, yesterday another well-known City institution, Industrial and Commercial Finance Corporation, was severely criticised in a Department of Trade inspectors' report. Owned by the Bank of England and the clearing banks and now part of Finance for Industry, ICFC has had long experience of serving the financial needs of small and medium-sized businesses. Yet in sponsoring the flotation of Ralph Hilton Transport Services in 1970, and in its relations with that company up to June, 1972, ICFC, according to the inspectors, "failed to exercise reasonable skill and care" and "fell below the standards required of them by the public as an issuing house."

Statutory

The rise and fall of the Ralph Hilton business makes a peculiarly lurid story, but the significance of the report lies less in the behaviour of the company than in the performance of the City firms which were associated with it. Coming in the wake of reports on the Lowson empire and London and County, this latest affair will strengthen demands for much tougher statutory controls over directors of companies and their financial advisers.

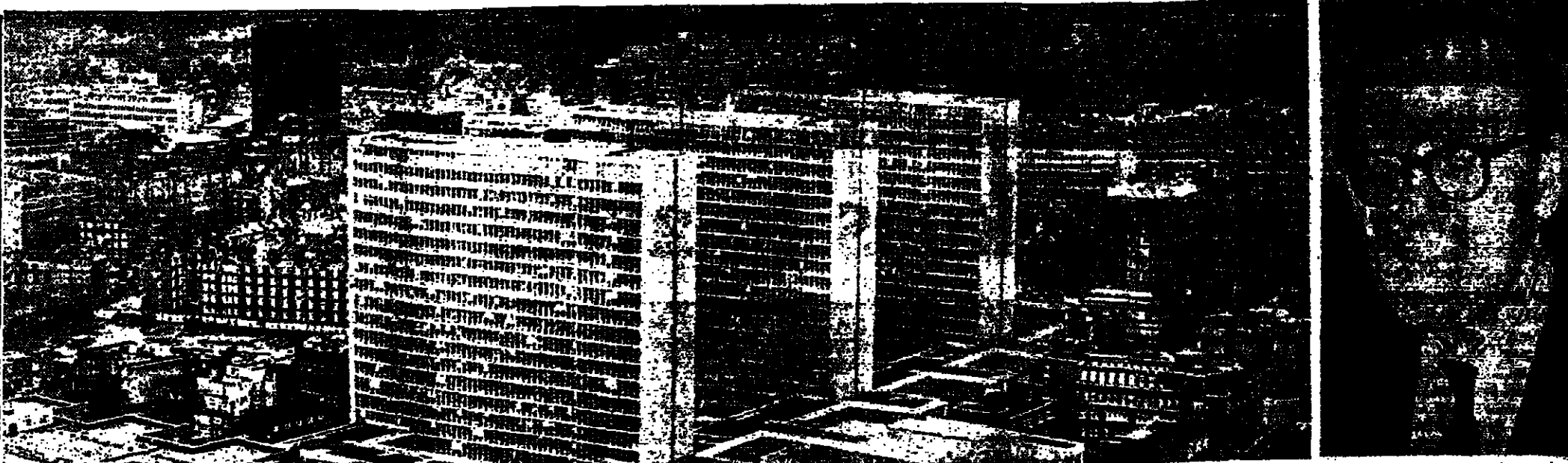
We have argued, and we continue to believe, that the creation of a U.S.-style Securities and Exchange Commission in this country would not be desirable. The powers of the SEC are formidable, but its administration has become extraordinarily complex and cumbersome, creating a field day for lawyers but not necessarily improving the position of shareholders; it has not prevented either the speculative excesses which a bull market frequently produces or some large-scale frauds.

The British mixture of statutory and self-regulation, involving the Department of Trade, the Bank of England, the Take-over Panel and the Stock Exchange, should provide a more flexible and more efficient system for protecting the investor, but there are serious weaknesses in the existing arrangements. One concerns the scope of the Companies Acts, which should be extended to deal with such matters as insider trading, the disclosure of transactions between a company and its directors, and the duties of directors.

A second concern is the thoroughness with which the regulatory authorities carry out their responsibilities under the Acts. Many people have the impression that company promoters, whose activities may have cost shareholders large sums of money and were apparently in breach of the law, too often escape unpunished, apart from the damage to their reputation. There are legal remedies open to aggrieved investors, as the inspectors point out, but these can be costly. The important point is that the authorities themselves should be seen to be tracking down and prosecuting offences against the law with the utmost rigour.

Credibility

Third, any system of self-regulation implies a set of agreed rules which, though not imposed by law, are recognised by the parties concerned, such as issuing houses and financial and legal advisers, as binding; breaking the rules must be heavily penalised. The Hilton affair has thrown up an example of a disturbingly casual approach on the part of some City institutions (which enjoy special privileges) towards their special responsibilities. That is why the credibility of the system is under strain.



The three giant towers of the Department of the Environment, the most successful of the "jumbos," and Sir Ian Bancroft, the most successful pioneer of the new form of government.

A PM's dislike of 'jumbos'

By PETER HENNESSY

LAST WEEK'S changes in the machinery of government were as surprising as they were significant. The Prime Minister had not concealed his disquiet about the size of giant, conglomerate government departments. But reorganisation was not generally expected in Whitehall to accompany the autumn ministerial reshuffle nor to be so thoroughgoing.

Strictly speaking, the high years of the "jumbo" departments, as they came to be called, began in 1968 with the creation of the Department of Health and Social Security and ended in March 1974 when Harold Wilson, on Labour's return to office, unscrambled the Department of Trade and Industry into the Departments of Trade, Industry and Prices and Consumer Protection. But last Friday's announcement that Transport was to be amputated from the Department of the Environment represents more significantly the moment when the centralising momentum engendered by both Mr. Edward Heath and Sir Harold went, very definitely, into reverse.

Success of the DOE

There are two reasons for this. First, the DOE was reckoned to be the most successful of the "jumbos" in the way it had cohered since the Ministries of Transport, Works and Housing and Local Government were fused in 1970. Second, the fact that it was Transport and not the basically non-political, executive functions of the Property Services Agency — as Works has now become — which was hived off undermined the essential concept underlying DOE. This was that planning decisions for housing, roads and transport services could not be taken in isolation either by central or local government. Should the PSA have been winnowed out, with its responsibilities for the construction and maintenance of Government buildings, that concept would have remained intact, albeit in a department with 54,000 fewer civil servants.

The extent of the sea-change is best illustrated by considering the work that lay before Sir Ian Bancroft, Permanent Secretary at the DOE, and Mr. Peter Baldwin, formerly Second Permanent Secretary there and now Permanent Secretary to the Department of Transport, as they left their offices for home last Friday evening with briefcases bulging. The task of disbanding DOE must have been a particularly poignant one for Bancroft. At 53, he is one of the most accomplished Permanent Secretaries in Whitehall and widely tipped to succeed Sir Douglas Allen as Head of the Home Civil Service on the latter's retirement in 15 months' time.

As a highly promising Under Secretary at the Civil Service Department in 1968-70, he led a team charged with re-shaping the Whitehall machine into a more rational structure. The White Paper, *The Reorganisation of Central Government*, published in October, 1970, which adumbrated the philosophy of the "jumbos" and reflected the thinking of both Mr. Heath and Sir Harold Wilson, bore the marks of Bancroft's draftsmanship. When he was DOE's first Director of Establishments, it was his zeal which won for the department its reputation as the most successful pioneer of the new form of government. After a further spell at CSD, he returned to the DOE as its Permanent Secretary a year ago.

The three towers

By last Monday morning, Bancroft and Baldwin had a fairly clear idea of what the new Department of Transport would look like. By the time the new Secretary for Transport, Mr. William Rodgers, arrived at his desk the next morning, it was clearer still. Mr. Peter Shore, Secretary for the Environment, Mr. Rodgers and their two advisers agreed to adopt the break-up of the DTI as their model.

Some of the administrative benefits of amalgamation would

be preserved by retaining common services in the fields of establishments and economics and statistics. Physically the departments would remain as one with the Transport Ministers and their senior advisers occupying the 15th floor of the North Tower in Marsham Street, Westminster. Leaving floors 15 to 17 to their former colleagues, instead of occupying one of the three towers on its own.

That much was fairly straightforward. But prising about 10,000 civil servants from the total DOE complement of 80,000 and shoving £2.4bn. as Transport's budget from a joint Treasury pool of £5.5bn. is not going to be easy. Thanks to the efforts of Bancroft and others, integration, particularly in the planning functions of DOE, had proceeded far beyond the point where old Ministry of Transport hands could be plucked out and placed where they were before 1970.

Mr. Callaghan's reasons

Separating transport industries — the other major component of the new department — which comprise the policy divisions dealing with railways, freight, ports and highways, persuasive apologists for the will not present the same difficulty as planning. But Whitehall watchers would be wise to keep an eye on the fate of Ministry of Technology. He DOE's London Directorate, which encompassed all matters affecting the Greater London Council including most of London Transport, for an indication of the complexities involved.

Why did Mr. Callaghan decide to do it? Reading the minds of Prime Ministers is a precarious business at the best of times. But a conventional wisdom has formed in Whitehall which suggests he had three reasons: a general dislike of "bigness" either in local or central government; the need to accommodate a glut of ministerial talent with Cabinet posts; and as a response to the transport unions which have spoken with one voice since 1970 in demanding a separate department.

The stark options outlined in

Mr. Anthony Crosland's consultative document on Transport Policy completed before his transfer to the Foreign Office, had done nothing to assuage the fears of these union interests. A strategic decision on the future size and shape of the country's transport industries needs to be made before Christmas and will create political difficulties of a magnitude requiring a single department to achieve their successful resolution.

The latter argument would appear to have carried the greatest weight with the PM. For once he had decided a new Cabinet Ministers (the solution adopted for the DISS with the elevation of Mr. Stasi Orme to Cabinet rank alongside Mr. David Ennals) or break them up into separate entities. Mr. Callaghan clearly decided that DOE, given the sensitivity of transport policy, required the more drastic surgery.

The pros and cons of large against small departments will not cease to be argued because of the events of last week. No doubt they were fully rehearsed in Number Ten before the decision was made. The most average apologist for the late Sir Otto Clarke, formerly Permanent Secretary at the Ministry of Technology. He spoke with the authority of one who between 1966 and 1969 stitched together the Ministries of Technology, Aviation, Fuel and Power and parts of the Department of Economic Affairs to form "Minitech Three," as it was known in the jargon of the time, to which the Conservatives added the Board of Trade in 1970 and renamed the whole enterprise the Department of Trade and Industry.

Sir Otto not only saw significant economies of scale in amalgamation but the possibility of a more effective system of government provided that the subject matter of the merged departments was sufficiently coherent. Too many Ministers led to an overlarge Cabinet, cluttered with detail and unable to make the

strategic decisions which were its essential function (a point Mr. Callaghan could well take on board with his swollen team of 24). Still more powerfully, he argued that Ministers with too narrow a departmental remit were in danger of excessive partisanship in reconciling their competing claims for funds.

Sir Otto's most vivid example of sectionalism within the Cabinet involved the Ministry of Aviation. "Would the Government in 1962 have embarked upon the Concorde project if the responsibility for civil aircraft production and the support of the aircraft industry had been within a department with wide responsibilities for industry and transport (and which therefore had to weigh its choices between a score of competing projects for resources) instead of being in a Ministry of Aviation created only two or three years before in order to foster aviation?" he asked.

Sir Otto, for all his advocacy, was well aware of the pitfalls of gigantism. Ever candid about these matters, he suggested there was a shortage of Ministers with the capacity to run such vast concerns. It was always easier for a PM to find 20 men and women of above average ability to fill his Cabinet than to discern in half a dozen the extraordinary energy and grasp needed to handle a "jumbo." The acid test of ministerial workload, he said, was the number of Under Secretaries in a department, the key rank for giving policy advice to a Minister. Until last Friday, DOE had 77, compared with 45 in the Department of Industry, 22 in the Treasury and seven at the tiny Department of Prices and Consumer Protection.

But empiricists on the other side of the argument have arguments to balance Sir Otto's. They claim that overlarge departments keep to themselves bothersome disagreements that should be ventilated more widely in Whitehall, thereby frustrating the Cabinet's indispensable role of reconciling conflicts of interest in a directly political way. According to this school of thought, rows reach

the Cabinet Office late or not at all.

They cite the failure of the DTI to air alternatives to the three-day week during the winter crisis of 1973-74. In the absence of a separate Ministry of Power (Mr. Heath established an Independent Department of Energy only at the last minute after the three-day week decision had been taken the case for running down the supplies and accepting the risk to avoid the loss of industry production was never properly put either within the DTI or the Cabinet.

Clearly, both sets of protagonists have their points. But it is for the P.M., as Minister for the Civil Service, to draw up the balance sheet. Every PM must be aware, however, of the disruption perpetual change involves. Sir Otto Clarke estimated it took years for a reorganised Ministry to settle down and five years for it to produce the benefits in terms of policy formation and efficiency for which it was created.

Stability needed

By his action last week, Mr. Callaghan may have done more than what a Conservative Government would have done later. Tory study group on the machinery of government, chaired by Mr. Willie Whitelaw, has been casting critical glances at the DOE for most of the year. The next Conservative Government could well use last week's disturbance as a trident. If, as some of Mr. Whitelaw's group want, the Treasury is dismembered, with responsibility for public expenditure shifted to a separate department under the Chief Secretary.

Very little is certain when it comes to shaping the machinery of government, perhaps because it is the one major area of public life where prime ministerial fiat works instantly. It is seen to do so. One can only paraphrase the celebrated remark of that exemplary P.M. Lord Attlee, to Professor Hamish Laski: a period of stability would be welcome on every body's part.

MEN AND MATTERS

Money from eastern medicine

Allied Investments, until a few years ago a company with a lot of problems, has — on recent track record — emerged from the wood in profit terms. The somewhat anonymous company name, which could mean anything, now cloaks a group which covers what the Americans now term generically "medicare."

That in turn includes nursing agencies (on an international scale), nursing homes, health hydros, and so forth. But what is beginning to emerge as the most important potential profit centre is the provision of inter-continental medical advisory services — backed up by the ability to organise and staff new hospitals.

Inevitably these days money means the Middle East, and Allied has just achieved a breakthrough in Sharjah — one of the United Arab Emirates — which should provide a basis for further expansion in that part of the world. The situation out there is fascinating. Allied is the only U.K.-quoted company in the field of hospital management, and has been pitching for business against bigger and more experienced U.S. giants. With no National Health Service, the U.S. is better served in terms of private hospital management concerns — with Hyatt Hospital Management Services, Hospital Corporation of America, and Whitaker Corporation among the leading contenders.

The prize that Allied has won is the management of the Al Quassid hospital in Sharjah. The reason for the fierce competition for this particular project is that it is one of the few new hospitals already built and equipped with the basic medical equipment such as operating tables etc.). After 18 months of negotiations therefore, that



hospital will be open for business on December 1; and since most other projects involve both the actual construction of the buildings and the installation of the facilities Allied reckons to prove its expertise while others are still literally, trying to get off the ground. Although this particular exercise is going to be profitable, according to 33-year-old Malcolm Sinclair, who is both a doctor and managing director of Allied, it is more important as the potential flagship of the group's further involvement in the Middle East.

According to Sinclair several factors have contributed to Allied's success in winning this contract against the odds. One is the back-up support from the Department of Health (and many medical officials in the Middle East did their medical training in the U.K.). A second is the presence of Christopher Chataway on the Allied Board: Chataway being a Middle East expert. But when it came down to the real detail of the project

Sinclair nominates Bryan McSwiney as the clincher. An administrative head of the St. Thomas's Hospital Group, McSwiney joined Allied full time last autumn and has put together the nuts and bolts of the project.

Full circle

The wheel turns full circle, it seems, for the much troubled Palace Hotel, Torquay. Rowland Smith, wealthy local businessman and land-owner who bought a two-thirds interest in the hotel in 1964, sold it in 1972, has now re-acquired control — but this time 100 per cent.

In between times the hotel has been plagued with problems. In 1967 it had a run-in with the Transport and General Workers' Union which resulted in strike action. In 1972 the company — Palace (Torquay) Ltd. — was taken over by Hickmet Holdings at a price which valued it at £250,000.

The hotel changed hands yet again in 1973, and was given a £300,000 face-lift to bring it out of the palm court era into the more up-to-date 20th century image of a conference and leisure centre. Even that, plus a subsequent capital reorganisation, did not fully do the trick, and earlier this year the company had its share quote suspended and a Receiver appointed. Now out of Receivership, it is back in the court of Rowland Smith.

Good work?

Whatever our present Prime Minister may or may not achieve in his major struggles he has one thing going for him: he is probably the first PM to have a hiking trail named after him. Yesterday Canada's Premier, Pierre Trudeau, presented Mr. Callaghan with a scroll on behalf of Warren Allmand (the Minister respon-

ble for Canada's national parks) dedicating the "James Callaghan Trail" in Gros Morne National Park.

For those interested in technical detail the trail is about three miles long, starts near sea level, and rises to a height of 2,644 feet to the top of Gros Morne — which is the tallest mountain in Newfoundland's national park.

To me more interesting is the fact that the trail was dedicated in recognition of the British Prime Minister's commitment to preserving the natural beauty of the world and because of his efforts to promote peace and brotherhood among the nations of the world. Umm.

More morals

My thanks to those who sent in further examples of jokes on the lines of "people who live in grass houses shouldn't stow thrones" which I offered the other day. One more, then, to keep us cheerful.

A man recruited a team of people from Northern Spain for a particular job, paying for them to stay overnight in a hotel. There was only one way out, and that through a revolving door. The Spaniards missed the day's work because they whirled endlessly and confusedly round in the door. Moral: Don't keep all your Basques in one exit.

Oh! to be young

What job opportunities there are for youngsters these days! According to an advertisement in *Accountants Weekly*, a Somerset-based British wines company requires a financial accountant, and "Applications in writings (sic) are invited from persons preferably under four years of age."

Observer

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The plausibility of Jimmy Carter

ES SO little, sex and "American values" which in this campaign, you'd really mean a belief in God is marked upon because, being a Republican, conservatism and fiscal responsibility sit easily upon his shoulders; he is marked down because he is a well-known political "pro" tainted by years in Washington and by association with the Nixon era (to say nothing of the Nixon pardon). Mr. Carter receives points because he is a new face from outside Washington and possibly because he indulges in a little harmless uplift, he is penalised for being a Democrat, more likely to be a bigger spender and tax raiser than his opponent.

still early in the campaign and things may even up as November comes. Nevertheless, the weeks have had such usually negative quality that one feels a bit likely to persist. In both Democrats and Republicans, however, the opinion pollsters to a kind of iron frame-indebility upon them are seems no way by they can easily break out allotted places in it. A scenario has been written over again with minor changes, but it amounts to position that "1976 is a conservative year." The people, we are told, are frightened by Vietnam and Watergate. They are distrustful of the Government and its attempts to govern. They are clinging to the family, the work ethic, the welfare state and that elusive concept

The trick

It follows that the trick for Mr. Carter is supposed to be to persuade everyone how responsible and unpretentious he is and then to sit back and let the traditional majority of registered Democratic voters carry him to victory. The trick for Mr. Ford is to look reassuring and Statesman like, and to hope that Mr. Carter thrashes around enough to trip himself up.

Fortunately, of course, it is not so simple. Mr. Carter's Democratic constituency contains important elements to whom traditional liberal Democratic policies are essential. The black community, electorally enormously important at the margin in the key industrial states—regards unemployment and not inflation as the enemy, and in effect demands inflationary macro-economic policies. The labour unions still hanker after expensive welfare programmes. To many ethnic groups—a lot of

them strongly Catholic or Jewish—the Southern Baptist God is scarcely recognisable and is certainly no substitute for solid, interest-group politics. So Mr. Carter has been obliged to fudge his position and has immediately laid himself open to charges of fuzziness and inconsistency.

President Ford has also had to gamble. Trailing by between 5 and 15 percentage points in most of the key states, he has had no choice but to expose himself and his record to the rough and tumble of the television debate where his Presidential aura is likely to be weak, his inarticulateness a severe handicap, and the possibilities of opening up the rift between himself and the Reaganite right-wing manifold.

All these conflicting forces may tend to produce cracks in the bland surface of sober-minded consensus politics as the campaign goes along. The question is whether they will resolve the real issue of the election—which is the true character of Mr. Carter. The truth is that very few people regard Mr. Ford as more than at best a decent neutral caretaker who has got the show back on the road after the Nixon calamity. A basically Democratic country will not choose him as President if there is a plausible alternative on the horizon. Is Jimmy Carter plausible?

The answer may still be "no." If Mr. Carter remains what he has been hitherto in spite of his exposure in the primaries—a rather shadowy figure with a light smile, a soft, trailing Southern voice, and a series of policy positions which risk pleasing neither the conserva-



Jimmy Carter: sure of the righteousness of his cause.

tives, because they are rapidly altered to suit special audiences, or the liberal Democratic activists on whom the task of getting out the vote must fall. The first week of the campaign exposed this possibility remorselessly and the Carter staff whom I saw in Atlanta showed distinct signs of jitter as the healthy lead in the opinion polls appeared to be slipping, and as the shortcomings of local Democratic enthusiasm were brought to light. But can the real strength of their man be displayed in an unambiguous form without scaring off the average voter

even more? If the conventional view of the mood of America is correct it may be a risky undertaking. The quest for Carter is in one sense easier for an English journalist than an American. The familiar Anglo-American situation is reversed here, and it is the Englishman who finds himself unencumbered by snobbery. A peanut farmer from as it were Hicksville Red Neck County, Georgia, may be as clever and as racially liberal as you like. (And if there are two things about Carter on which everyone who has met him is agreed, it is that he

has an outstandingly inclusive intelligence and a genuine sympathy for blacks.) But the majority of Northerners especially in the Eastern media establishment will instinctively regard him as a country bumpkin with faintly sinister overtones.

The existence of this ancient ghost is not entirely bad for Carter—it will probably help to give him the South almost intact—but it still haunts the country at large and its exorcism is from a historical standpoint, one of the strongest arguments for electing him President.

Yet there are other aspects of the Carter personality which do produce the most eerie effect on the British visitor as a picture of a man begins to emerge from conversations with Georgians who observed him closely during his governorship.

This oddity can best be conveyed by describing an identical politician, let us say Mr. X. Mr. X is a man of great natural ability, an outsider of lower middle-class origin who has fought his way to the top and part despises, part envies the establishment he has bested. His ideals are vaguely humanitarian but his primary purpose is to make his country and its Government function more efficiently. He tends to see political problems in managerial terms. His personal life is puritanical. He is a fanatical worker and demands utter loyalty from his staff. He is capable of flashes of wit but on the whole his humour is concealed from the world. He is utterly certain of the rightness of his own decisions and the righteousness of his cause. Once he has made up his mind his pig

headedness is legendary and his manner towards opponents arrogant and clumsy. He is a poor loser and is apt to be badly thrown off balance by failure of any kind.

One hardly needs to go any further with this description of Jimmy Carter's gubernatorial style to realise that the possession of a fine set of teeth is not the only attribute he shares with Ted Heath. The comparison should not be carried too far. Mr. Carter is operating in an infinitely more complex environment than Mr. Heath ever did, and the nature of American politics is such that one cannot get to the top without learning the hard way how to accommodate to some extent to the pressure of interest groups. Mr. Carter is still learning, and he learns fast.

Chilly

But the parallel is suggestive none the less of the assets and liabilities which Mr. Carter brings to the campaign and the Presidency. The obsession with management and efficiency is a double-edged affair. On the one hand it appeals to one of the main assumptions of American life—namely that to every problem there must be a solution. There is no doubt that the Washington bureaucracy, like the Georgia bureaucracy, is in sore need of reorganisation. From a tactical point of view moreover there is an advantage in ducking difficult questions ("How does one get the money to finance Medicare?") by holding out visions of manpower savings which would do the trick. On the other hand there are limits which the man in the

street must recognise to what can be done on these lines, and there is a certain coldness about the whole concept which is somewhat off-putting.

This chilly quality about Carter is indeed one of his main immediate problems. He does not come across as a warm personality for the very good reason that he is not one. He inspires the respect but not the affection of his staff, and the same will no doubt be true of the electors. Whether Americans are prepared to vote in large numbers for a man who cannot arouse deep emotional commitment remains to be seen, but the very high rate of undecidedness or of potential abstention revealed by the opinion polls suggests a serious weakness here.

It is perfectly clear that in Jimmy Carter the Democrats have found a formidable standard bearer whose election would change the face of American politics and, because he would owe very little to anyone, the face of American government as well. What still has to be discovered is whether the American people realise what will be involved and, if they do realise it, whether they are prepared to face the consequences. It seems probable that Mr. Carter will win this election by default. The Ford administration is not popular, and there seems no way of making it so by November. But if Mr. Carter is chosen in this fashion, the possibility must exist that the country will abandon him in a crisis as Britain abandoned Mr. Heath. It will be better for everyone if the television debates bring home to Americans what they are letting themselves in for.

Letters to the Editor

Guidelines on tourism

Mr Alexander Glen, British Tourist Authority.
I am grateful to Mr. Glen for his generous and helpful comments, but I must correct one point. It was TA which first asked to lay down some guidelines for the development of tourism in these guidelines have in reduced useful criteria, which — helped by consultation with Government — has achieved between the of maximum foreign from overseas visitors better sharing of the regionally throughout the of Britain. In short, the have in no sense been they are creatively alive. I would support another made by Mr. Bosman. We Tourist Boards are not doers. We are catalysts, nes initiators. I hope and above all instru- in bringing about joint promotion and market- th the trade, especially. S. The doors are those who make investment, who have to earn a hotels, restaurants, air- car rental companies, s, historic houses, to name a host of many, all of these large and in private sector and that credit primarily to in earning this year £2,000m. of foreign ex- —perhaps even more, as as if these earnings are seriously under-estimated. tribution of this magni- tarily justifies close and consultation between and Government. We try to help secure this, but, our own structure, we do so completely, and I endorse what Mr. Bos- ties that the trade should not believe—that the doors tehall, are open to regular ation.

der Glen,
James's Street, S.W.1.

Steel industry pensions

he Manager, Pensions, Steel Corporation.
I would like to correct a e in Mr. Anthony Furse's (September 13). Pensioners Act, 1971, did not former employees of the industry or indeed of any nationalised industries payable to former ees of the nationalised companies are covered by poration's funded schemes were amended in 1975 to that such pensions should eased in line with changes Retail Price Index annu- erator. At the same time, ers' and employees' con- on rates to the scheme increased on actuarial es. It is not therefore to state that the increases funded and are paid from taxation; they are in fact and are met by actu- essed contribution rates ded schemes.

osensor Place, S.W.1.

vil servants d the freeze

the General Secretary, Service National by Council.
sary attention has been to Mr. Markham's letter

(September 14) which you headed "Some are More Equal." It is completely wrong to imply, as Mr. Markham does, that civil servants are unaffected by the "incomes freeze." The same considerations of income policy apply to civil servants as to the rest of the wage-earning population. Moreover, at the time the chopper came down in 1975 civil servants had previously received pay increases which were less, in percentage terms, than the equivalent move- ment of either wages or salaries or total earnings. In the year to July 31, 1976, staff earnings £8,500 or more have received neither the 55 per cent increase nor any increment due.

While it is true to say that civil servants have incremental progression, it is equally true to say (a) it is a common feature in the public sector and in some private sector areas and (b) the "rate for the job" as known elsewhere is the maximum of the scale and not the various points on such a scale. Furthermore there are large numbers of civil servants who are on the maximum of their particular scale and no longer benefit from incremental progression.

The case for a meter

From Messrs. M. Brody and C. R. Tams.
Sir—Our contention that water can never be freely available for everyone's use is valid if only because water has to be collected, purified and distributed—a fact which Mr. Blithell explicitly recognises (September 11). Our assertion is thus correct irrespective of whether or not rainfall could satisfy every possible water requirement were there no charges for, or restrictions on, the use of water. (In this regard it should be remembered that industrial users are metered and are not permitted to pollute rivers and lakes at will, and that consequently their requirements are much reduced.)

We should add that we are entirely opposed to all forms of State intervention including Government price-support programmes for agricultural produce. Neither are we prophets of doom, though Mr. Blithell would have our readers believe we are. We proclaim the dignity of the individual and the practicability of the free society. Mark Brady, Chris R. Yates, 25, Stanborn Road, Godalming, Surrey.

The seamen's grievances

From Mr. Daniel Grant.
Sir—I should like to correct an error in Mr. Ford Geddes' letter on the seamen's dispute (September 15).

There was no justification for Mr. Harold Wilson's statement in 1966 about a tightly knit group of politically motivated men.

The picture of Mr. James Slater and his colleagues on the seamen's executive which emerges from Hansard is of men of integrity who spoke for a genuine sense of grievance in their members.

Daniel Grant,
62, Dundrum Road, Glasgow.

Conservation of water resources

From Mr. A. W. Le Fevre.

Sir—The rejection by Mr. Blithell (September 11) of proposals for the provision of a metered water supply appears to be based on a lack of appreciation of modern technology and of the energy associated with the supply of pure water which is largely wasted. If one considers the low price at which small hand held computers can be sold, it takes little imagination to assess the costs at which an electronic meter reading service could be produced. An extension of the concept to allow for the digital transmission of information, covering water, electrical and gas supplies, from any residence in which a telephone is installed, is not difficult to visualise. The collection of this information, the telephone network, possibly at night when services are virtually unused and automatic production of accounts by the four public concerns involved would also be comparatively simple to arrange. It can be remembered that the Post Office plans allow for the provision of at least one tele-

Wages versus inflation

From Mr. M. T. Sumner.

Sir—Mr. Godley's letter of August 10 ("Wages and inflation") takes issue with a number of studies which show a relation between unemployment and changes in the inflation rate. There are a number of errors in his letter on which I should like to comment.

Mr. Godley lists among the "serious technical defects" in econometric studies of wage inflation the fact that the significance of the unemployment coefficient in the equation estimated by Parkin, Sumner and Ward "is entirely conditional on the imposition of an a priori constraint which... the evidence goes close to rejecting." In fact, three constraints were imposed: that changes in the price expectations of firms and workers will be fully reflected in wage changes; that changes in effective tax rates are correctly anticipated and fully affect wage changes directly (rather than merely operating indirectly through excess demand); and that the signs on householders' and firms' price expectations are identical to those on the taxes for which these agents are nominally responsible. The results reject only the last of these constraints: the second reserves rather weak confirmation; but the important one for policy purposes is the first. The fact that it is not rejected implies that a persistent attempt to hold unemployment below its (perhaps unfortunately named) "natural" level will result in inflation at an ever-increasing rate, given that the price expectations of economic agents respond to actual experience.

Mr. Godley adds that "even with the constraint imposed the coefficient (on unemployment) is small." The interpretation of this remark is not clear. If he means merely that an increase in unemployment above the natural rate generates a slow deflation (or rather "disinflation") he is undoubtedly correct; but the fact that the coefficient is small suggests that the impact of unemployment on wage expectations is weak. This is a serious defect in the model. The fact that the coefficient is small suggests that the impact of unemployment on wage expectations is weak. This is a serious defect in the model.

phone per household in the very near future. The labour saved by such a development would be immense, and the technology virtually ready for use.

If the Government decided to promote the development of such a project and use its influence to promote the co-operation of the parastatal bodies involved it might well be possible to establish a householders will continue to limit their bath water and save their washing up water for their gardens after the first few winter rains? The only way to control water consumption is to make people pay for what they use and if necessary to fine those who exhibit a flagrant desire to waste this most valuable commodity.

A new kind of strike action

From Mr. J. B. R. Sheldon.

Sir—The seamen's strike may be a watershed in the history of strike action. This is because its almost inevitable defeat, before or after it takes place, by the TUC, Government, unions, and employers will signal the beginning of the end of the power of any one union to cause disruption on its own.

Wages versus inflation

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From now on, a union contemplating an official strike will have to convince the forum of the TUC that its cause is just, not only in absolute terms, but also in relation to every other union's ambitions and desires. Not even the miners hold such monopoly power that they could operate against a total lack of co-operation by other union members. In this instance, if the TUC and Government were to request dockers and carriers to work all foreign vessels as usual, the seamen's disruptive powers would be severely curtailed.

The fact is that the TUC does now play a large role in running the country and with its power has come responsibility. Employers are no longer important — it is taken for granted that they can always be forced to concede higher pay unless told not to by the Government or the TUC. Moreover, it is to the players' advantage that this has become the case because it has helped remove the "us and them" confrontation. Trade unions have finally tumbled to the equation that higher wages without co-operation to get higher production equals inflation and that it is within their power, and not the employers, to get this equation right.

My prediction is that a defeat of this strike will revive business confidence to a higher level than if it had never happened, because it will dawn on most businessmen and shareholders that we have reached a new and more reasonable era in industrial relations.

J. B. R. Sheldon,
20, Stafford Place, S.W.1.

Wages versus inflation

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GENERAL

Mr. James Callaghan, Prime Minister, arrives in Quebec and meets its provincial Premier, Mr. Robert Bourassa.

Dr. Henry Kissinger, U.S. Secretary of State, expected to meet Mr. John Vorster, South African Prime Minister, in Pretoria.

Retail price index for August published by Department of Employment.

European Parliament meets, Luxembourg.

Mr. Peter Shore, Environment Secretary, visits Oldham at end of three-day tour of North-West and addresses Manchester City Council on housing policy.

Liberal Party Assembly, Llandudno.

To-day's Events

Two-day National Consumer Congress opens, Aston University.

Fourth session of UN Conference on Law of the Sea ends, New York.

Two-day General Election begins, Malta.

British Educational Administration Society's annual conference, Westfield College (University of London), West Hampstead, N.W.5.

Pharmaceutical Society conference ends, St. Andrews, Fife.

COMPANY RESULT

British Printing Corporation (half-year).

COMPANY MEETINGS

Associated Tooling, Winchester

HOUSE, E.C.

12. Beran (D.F.), Edinburgh, 12.15. Cowan, de Groot, Aberdeen, 12.15.

Crowther (W.) and Sons, Britannia Hotel, W., 12. Denbyware, Sarny Hotel, W.C., 12. Diamond Stylus, Llandudno, 12. Eeona, Solihull, 12. Hogg Robinson, Queens Room, Baltic Exchange, E.C., 12.15.

Letrasat International, Waldorf Hotel, W.C., 12.15. Ransom (William), Hitchin, Herts., 2.30. Van Diemen's Land, 317, High Holborn, E.C., 12.

OPERA

English National Opera production of Don Giovanni, Coliseum Theatre, W.C.2, 7.30 p.m.

SPORT

Athletics: International Games, Crystal Palace (7.30 p.m.).

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COMPANY NEWS + COMMENT

Lead Industries passes £10m. midway

FIRST-HALF 1976 sales of Lead Industries Group increased from £84.74m. to £77.81m. and pre-tax profit expanded from £2.68m. to £10.17m. Associate's contribution to sales expanded from £25.47m. to £42.47m. and the share of profit from that source advanced from £2.06m. to £5.77m.

Reports, so far, for the second half indicate little overall change compared with the first half, the directors state. Sales for 1976 were £121.54m. and pre-tax profit was £13.63m.

Earnings per 50p share for the six months were up from 8.15p to 13.44p and the interim dividend is lifted from 2.12p to 2.33p net. Last year's total was 5.08p.

In the first half of 1975 Tioxide, the largest of the associates, was still suffering a severe setback in profits, but it had a very good recovery in 1976, though profits were still well below the exceptional figures for the first half of 1974.

The improvement was almost entirely a result of better exports and higher profits from manufacturing activities overseas. Other associates also showed improved results, the directors state.

For the subsidiaries both in the U.K. and overseas the drop in 1975 was less marked, and 1976 overall showed a modest improvement, though once again the profits were lower than for the first half of 1974. There has been an improvement in volume for most products but it continues to be difficult to recover increases in costs.

In the U.K. this particularly applies in the case of some metal businesses including smelting and refining of secondary lead where, despite higher metal prices, operating income has not risen sufficiently to cover the increasing costs. This has been made good by those products, mainly chemicals and ceramic supplies, where there have been good exports, the directors add.

Six months 1975 1976
U.K. sub. sales 54,674 45,236
Overseas sub. 22,148 25,283
Total sales 76,822 70,519
U.K. sub. profit 2,914 2,754
Overseas sub. 2,542 3,895
Share associates 3,773 2,662
Interest payable 738 816
Profit before tax 30,122 32,262
Taxation 4,896 2,161
Minorities 263 113
Dividends 4,912 2,953
Retained 21,263 24,835

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HIGHLIGHTS

Guest Keen has turned in a better than expected first half with automotive components and some of the steel interests the strong runners. Prudential Assurance has shown an improvement in its general insurance business while the half-time statement from Schroders and Kleinwort suggest a rather unimpressive trend in merchant banking. Lex also takes a look at Stone-Platt where exchange rate gains have played an important part in the 47 per cent. half-time pre-tax gain. Elsewhere, Dalgety is back to the peak of the cycle seen in 1974 while there is still plenty of recovery scope in Australia. Clarke Chapman should continue profits moving in the right direction but the order position is apparently deteriorating. Bridon has achieved virtually unchanged first-half profits but Liverpool Daily Post is 58 per cent. to the good.

greatly increased as a result of the Tioxide performance. In 1975 dividends from associated companies amounted to £17m. Even so, a maximum prospective yield of 7 per cent. is covered 4.5 times by the forecast profits.

Liverpool Post sees big rise

REPORTING first half profits before tax up from £1.8m. to £1.87m. on turnover of £18.82m. compared with £13.16m. the directors of Liverpool Daily Post and Echo say they expect profits for all of 1976 to substantially exceed last year's £2.81m.

After U.K. tax of £0.75m. (£2.48m.) and overseas tax of £212,000 (£94,000) first half earnings are shown to have risen from 3.5p to 8.1p per 50p share and the interim dividend is lifted from 2.10p to 2.41p net. Last year's total was 5.01p.

U.K. newspaper publishing profits were rather better than last year but any gain was marred by the continuing of mechanical problems at Liverpool Web Offset.

Against this background only 30 per cent. of the improved profit came from U.K. newspapers compared with 40 per cent. last year. Newspapers remain the principal activity and the combined contribution of publishing interests in the U.K. and Canada is virtually 50 per cent. of the half year's profit.

Papermaking and packaging showed increased volume which is reflected in profits. The contribution to profit was over 40 per cent. for the bulk of Lead Industries' 62.4 per cent. pre-tax rise in the first half there was also a growth element in the figures which is expected to be maintained in the current half and to accelerate in 1977. Thus, while the £20m.-plus pre-tax figure was seen as exceptional in 1974, the similar level suggested by the forecast for 1976 is now a realistic level.

Improved demand, especially overseas, for antimony and ceramics compounds is continuing but with a volume increase in sales of possibly less than 10 per cent. in the first half and metal price increases accounting for the rest, progress could be slow. The shares up 1p at 12.4p yesterday would meanwhile take into account that cash flow into the group would not necessarily be

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and a sharply reduced proportion of higher margin sales such as wall-coverings and more complex DIY items. However, some margin recovery is apparently taking place in the second six months as the normal balance of trade is restored and with sales volume continuing to increase the group seems headed for a full year pre-tax total of at least £9.5m. The group's balance sheet is still strong with cash close to the £614,000 shown in the last accounts and it is continuing with its expansion programme. By the year-end selling space should be about 31 per cent. up on the 1975 level. Supported by one of the strongest growth records in the DIY sector, the shares which yield 10.4 per cent., covered 3.3 times, at 48p, a low for the year, therefore have their attractions.

Galliford Brindley expansion

THE INCREASED profit forecast by Galliford Brindley turns out to be £1.57m. for the year to June 30, 1976, compared with £1.48m. for the previous year, after £0.55m. against £0.58m. for the first half. Turnover for the year expanded from £21.5m. to £20.76m.

A final dividend of 2p lifts the net total from 1.735p to 2.73p. Treasury approval has been received for the increase in connection with the issue of equity as part consideration for the acquisition of the equity of Stamford Construction. Completion of the acquisition was made on Wednesday.

The initial consideration was £1.05m.—£588,750 cash and the balance by the issue of 1,373,000 Ordinary 5p shares, which have been placed in the market on behalf of the vendors.

No forecast of future profits has been made by Stamford, but a further cash consideration of £200,000 is payable on or about September, 1977, if the pre-tax profit for the 18 months to June 30, 1977, amounts to not less than £750,000.

A further deferred cash consideration will be payable in or about September, 1978, depending on the level of profit achieved, the maximum payment being a further £200,000 if the profit for the year ending June 30, 1978, equals or exceeds £800,000. Nothing is payable unless such profit amounts to at least £400,000.

The outlook for the group in the current year is encouraging with a number of new ventures taking up the slack being experienced in some of the traditional activities, the directors state.

They believe that, with the benefit of new resources, the redeployment of some existing ones, and ample finance to implement policies, further progress can be made.

1975-76 1974-75
Turnover 30,759,000 27,750,000
Trading profit 2,947,454 1,915,912
Depreciation 58,251 47,701
Profit before tax 1,872,432 1,478,228
Taxation 951,340 785,666
Net profit 821,092 692,562
Dividends 293,432 153,213
The group is engaged in build-

ing and development, civil engineering, heating and ventilation, etc.

comment
Despite the poor level of activity in housebuilding Galliford has raised its pre-tax profits by 27 per cent. While the first time inclusion of Kuttler and Heron has helped the main boost has come from civil engineering and the plant hire division which saw an upturn in demand for compressors mainly in connection with the Stansted airport project—civil engineer similar to GB's own business—comes in on a firm growth trend. Profits were £400,000 during 1975 and the indications are for £500,000 this year (on an annual basis) and £600,000 next. GB's own balance sheet is sound with cash over £2m. and no borrowings, and so it could have funded the acquisition out of cash (total consideration amounting to £1.43m.) but placing has given the chance for a substantial dividend hike giving a yield of 11.4 per cent. at 38p against a sector average nearer 6 per cent. Despite a difficult market, GB is expected to at least maintain profits (excluding Stamford) so the ratings appears to be lagging behind events.

2p dividend from Jatel

PROFITS for 1975 of tea producers Jatel fell from £536,305 to £293,403 before tax of £189,336 compared with £565,500.

The company is joining the dividend list for the first time with an interim payment of 2p net.

Arthur Wood set for records

More than doubled profits to £70,200 are reported for the first half of 1976 by Arthur Wood and Son (Longport), earthenware manufacturers. This is due to the slowing down of inflation and an increase of 32 per cent. in export sales.

Chairman Mr. Gerald Wood expresses confidence that in view of the full order books, the full year will produce record turnover and profits.

First half 1976 1975
External sales 890,301 715,139
Profit before tax 70,200 32,200
Taxation 26,500 14,300
Net profit 43,700 17,900

SHELL PAYS TOP INTERIM

"Shell" Transport and Trading Company says its net interim dividend from 6.004p to 7.282p for the current year. The whole of the year's permitted increase has been applied, the directors state. Last year's final was 6.78p.

Also, Royal Dutch Petroleum Company has increased its interim payment, from £15.375 to £15.450. The directors say that the increase should not be considered an indication of the level of the final, which last year amounted to £15.5.

comment
The profits of the Schroder Group for the first six months of 1976 were higher than those achieved during the corresponding period in 1975.

The Company is not a close company within the terms of the Income and Corporation Taxes Act 1970.

120 Cheapside, London, EC2V 6DS.

16th September, 1976.

DIVIDENDS ANNOUNCED

Company	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Apex Properties	1.49	Oct. 27	0.83	2.89	1.62
Assam-Doors	5.51	Nov. 11	7.74	8.51	7.74
Aust. & Int'l. Trust	2.4	Oct. 28	2.1	2.4	2.1
Bridon	2.1	Nov. 4	1.9	—	5.5
Brown & Jackson	int.	Oct. 25	1	—	4.1
R. Cartwright	int.	Oct. 26	1	—	—
Clarke Chapman	int.	Dec. 9	1.4	—	4.42
Dalgety	4.18	Nov. 15	3.8	8.94	8.13
Empire Plantations	0.65(a)	—	0.65	0.65	0.65
Excelsior Jewellery	0.21	Oct. 28	0.18	0.43	0.39
A. Gallenkamp	2.5	Nov. 12	2.36	4.53	4.14
Galliford Brindley	2.07	Nov. 12	1.94	2.75	1.74
GKN	int.	Jan. 3	4	—	11.32
James Haislett	0.33	Nov. 24	0.16	0.33	0.16
Home Churns	int.	Nov. 1	1.03	—	2.95
Jatel	int.	Sept. 24	Nil	—	Nil
John & Shipman	int.	Oct. 29	1.55	—	4.37
Kleinwort Benson	int.	Nov. 3	1.43	—	5.48
Lead Industries	int.	Nov. 30	2.12	—	5.08
Liverpool Post & Echo	int.	Oct. 29	2.2	—	5.91
Lon. & Holyrood Tst. Int.	int.	Nov. 17	0.7	—	2.7
Lon. & Provost Tst. Int.	int.	Nov. 17	0.7	—	2.8
Lon. Atlantic Trust	int.	Oct. 22	1	—	1.75
Magnolia	0.74	Oct. 1	0.67	—	2.2
Mendip	int.	Oct. 22	0.4	—	1.05
Newall Machine Tool	0.49	Oct. 23	—	0.49	—
Prudential Assurance	int.	Nov. 11	2	—	3.41
H. & J. Quirk	int.	Oct. 29	0.41	—	0.84
C. W. Sparrow & Sons	int.	Nov. 3	3.73	—	—
Schroders	int.	Nov. 4	—	—	9.51
Sharma Ware	int.	Oct. 29	1.95*	—	1.95*
"Shell" Transport	int.	Nov. 8	—	—	12.78
Singlo Holdings	0.75(a)	—	0.75	—	4.39
Staffs. Potteries	int.	Nov. 12	1.76	—	4.39
Stone-Platt Inds.	int.	Nov. 12	1.61	—	2.94
Trarford Park Ests.	int.	Nov. 12	1.58	—	2.96
Wadkin	int.	Nov. 1	1.38	—	4.53
J. Wiles	int.	Oct. 29	1.39	—	3.45

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. (a) Will be paid when sufficient funds are available in this country. (b) Parity to reduce disparity. (c) Dutch florins. (d) To reduce disparity.

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GKN better than expected

AFTER CHARGING additional depreciation for inflation, pre-tax profit of GKN rose from £38.6m. to £43.12m. in the first half of 1976. The figure for the whole of last year was £88.5m.

The directors say that the better-than-expected level of trading, coupled with a fair expectation that this should continue in the second half indicates that the group for the year should achieve a result somewhat better than the modest improvement previously forecast.

Cash flow and available resources continue to be adequate for trading requirements and for the capital spending programme to which the group is committed: capital expenditure for 1976 is expected to total £70m. of which £50m. will be on GKN projects. Earnings per £1 share are given at 9.5p (£8.5p) and at 15.5p (£13.9p) prior to additional depreciation for inflation. The interim dividend is stepped up from 4.00p to 4.40p net—last year's final payment was 7.315p.

External turnover 1976 1975
Trading profit 10.7 11.1
Depreciation 0.2 0.2
Investment in etc. 1.1 0.9
Interest payable 0.2 0.2
Share of assoc. 4.3 2.8
Profit before tax 16.9 16.2
Taxation 2.5 2.4
Minorities 0.1 0.1
Earnings 14.3 13.7

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Better half for 'Pru'

THE UNDERWRITING result for the first half of 1976 at Prudential Assurance Company shows a 50 per cent increase in profits of £1.85m. over the first half of 1975.

Premiums increased from £114.4m. to £131.2m. while investment income was £13.4m. compared with £8.4m. in the first half of 1975. The rise in profits is due to a combination of factors, including a 50 per cent increase in the first half of 1976.

The interim dividend is raised from 2p to 2.5p net per 100 share. Last year's total was 3.41p.

There was a small underwriting loss in the U.K. Profits on the motor account were more than offset by a loss on the domestic property account which had a heavy loss arising from the January wind storms.

Overseas operations produced an overall underwriting profit, there was an improvement in Canada and Australia, but in South Africa despite some improvement in the second quarter, experience remained unfavourable.

The results of the Belgian subsidiary L'Escaut were disappointing with a heavy loss on the motor account resulting from a severe price control measure.

Results for Mercantile and General in the first six months showed an underwriting loss similar to that in the corresponding period of 1975. All figures for this company have been included on a current year basis.

For the six months to June 30, 1976 and for the year 1976 overseas currencies have been converted at the rates of exchange obtaining on December 31, 1975 while the figures for 1975 have been converted at the rates obtaining at that date.

As reported on July 9 new life insurances and annuities effected in the first half of 1976 were £33.3m. (£31.1m.) and single premiums and annuity considerations £3.6m. (£17.2m.).

Vanburgh Life Individual contracts contributed £5.7m. (£2.4m.) to annual premium income and £1.8m. (£2.2m.) to single premium and annuity considerations.

See Lex

Sharna Ware
£69,814 at half time

Turnover of Sharna Ware for the first half of 1976 increased from £2.9m. to £3.6m. and profit more than doubled from £30,137 to £69,814 before tax of £36,308, compared with £15,881.

In his annual statement in April, the chairman, Mr. S. Orchard, forecast a record outcome for 1976—for the previous year the figure was £200,218.

The interim dividend is 0.75p net, compared with last year's single payment of 1.95p adjusted for the one-for-three scrip.

The company has acquired a distribution organisation with a showroom and offices in Switzerland.

land and a cash and carry warehouse in Bradford.

The company makes plastic ware, etc.

Statement, Page 26

See Lex

Midterm record at Sparrow

ON A 33 PER CENT increase in turnover from £2.09m. to £2.77m. pre-tax profit of G. W. Sparrow and Sons, the crane hire specialists, improved by 27 per cent.

The interim dividend is raised from 1.75p to 2.25p net per 20p share. Last year's total was 4.33p.

Mr. Sparrow says it is encouraging to report these figures for a company which has been through a period of trading during which uneven demand for the group's services were experienced throughout the country.

During the half year more than £1.5m. was invested in new cranes including one 150-ton telescopic jib crane—the largest of its kind in the world—and two 100-ton telescopic jib cranes, he tells members.

£0.7m. by Staffs. Potteries

ON SALES UP from £6.18m. to £7.4m. pre-tax profits of Staffordshire Potteries (Holdings) rose from £313,000 to £702,000 for the year to June 30, 1976.

This follows a first-half increase from £140,000 to £213,000 and a forecast of not less than £0.6m. made at the time of the 0.25m. share placing in June.

Undiluted earnings are shown at 30.1p (23.8p) per 25p share and diluted at 25.2p (20.1p) based on shares in issue prior to the placing.

As forecast the final dividend is 7p net on the enlarged capital of 9.5p (£4,925,765p) total. Treasury consent has been given for the increase in context of the placing.

The directors say the current year has started well with record sales in July and August. Orders on hand are generally satisfactory and the first stage of the capital investment project is on schedule.

See Lex

Advance by W. J. Reynolds

Motor dealers W. J. Reynolds Holdings reports an increase in turnover from £3.79m. to £5.36m. for the first half of 1976 and an advance in pre-tax profits from £42,750 to £61,600. Stated earnings rose from 0.44p to 0.69p per 5p share.

The directors say there are encouraging signs for the second half always provided that the supply of new vehicles is not unduly restricted by model changes and industrial disputes. Profits for all of 1976 came to £53,150.

The significant rise in turnover was due to price increases and a higher sales volume but with intense competition and an inevitable increase in overheads expected improvement in the truck sales market did not materialise and it now seems unlikely that this will happen this year, say the directors.

At the end of September Ford Motor will be replacing the existing range of Cortinas. The new version of the Cortina has already been introduced on the Continent and has been very well received.

Members are told. The Board expects to recommend a single dividend for the full year of not less than last year's 0.53125p net per share.

See Lex

Stone-Platt up £1.85m. to £6.08m. so far

REPORTING a 40 per cent expansion in sales from £4.64m. to £6.64m. for the first half of 1976 and a 47 per cent advance in pre-tax profits from £1.09m. to £1.58m., the directors of Stone-Platt Industries forecast that both sales and profits for the full year will exceed the £158,740m. and £11.14m. respectively for 1975.

First half earnings are shown to be up from 12.5p to 14.4p net per 25p share before tax, and from 7.4p to 8.2p after tax. The interim dividend is lifted from 1.612p to 1.9053p net. Last year's final was 1.35p.

First half 1975
Sales £4,640,000
Profit £1,090,000
Dividend 1.35p

First half 1976
Sales £6,640,000
Profit £1,580,000
Dividend 1.9053p

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Bentalls first half progress

DEPARTMENT store operators Bentalls reports sales ahead £1.7m. to £14.57m. including VAT, and profits up £75,000 to £605,000 in the six months ended July 31, 1976.

In the second half to date, sales show a 19 per cent increase over last year and are ahead of budget. If this position can be maintained, the directors are looking for a satisfactory result for the year despite further increases in costs. In 1975-76, profit came to £1,088m.

Improvements have been made in sales promotion and to departments and stocks to ensure in the second half the higher turnover and contribution to profit expected.

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Upsurge for H. & J. Quick

Motor dealers H. & J. Quick Group is forecasting that 1976 will be an "outstandingly good" year.

In the first half profit has shot up from £127,701 to £359,930, and results for July and August are running at the same rate, the directors report. For 1975, profits were £288,000.

Turnover for the half year rose £4.33m. to £16,143,753, and the net profit came out at £178,180 (£89,401) after tax of £180,750 (£38,300).

Earnings are shown at 4.57p (1.76p) per 5p share, and the interim dividend is up from 0.4154p to 0.509p. The 1975 final was 0.32p.

Statement, Page 31

Midterm upsurge by Tioxide

Titanium producers, Tioxide Group in which Lead Industries and ICI have substantial holdings, reports an upsurge in 1976 first half profits from £3.72m. to £10.88m. before tax of £3.34m. (£1.88m.).

Attributable profits were up from £1.7m. to £3.34m. Sales to U.K. markets expanded from £12.23m. to £17.51m. and overseas sales were £30.1m. against £30.43m. The value of exports including ultra-group sales was £13 m.

Changes in the sterling values of the parent company's interest in overseas companies, arising from exchange fluctuations, have been excluded from profits.

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Gallenkamp

PRELIMINARY STATEMENT FOR THE YEAR ENDED 30 JUNE 1976

	1975/76	1974/75
RESULTS	£	£
Group sales	23,565,000	19,912,000
Group profit before tax	3,880,000	2,490,000
Tax	2,025,000	1,314,000
Group profit after tax	1,855,000	1,176,000

Earnings per share 28.2p 17.8p

SALES

Group sales to customers in the United Kingdom: £13,460,000
Group sales to export customers: £10,105,000

DIVIDEND

The final dividend proposed is 2.55p per ordinary share which, with tax, amounts to a total of £257,842, 15.7% (last year £238,327, 14.5%). This, together with the interim payment, will represent total dividend for the year of 4.55p per share which, with tax, amounts to £460,071, 28.0% on the issued ordinary share capital (last year £418,414, 25.5%) and is the maximum distribution permitted by current legislation.

SHARE REGISTER

The transfer book of the ordinary share register will be closed on 11 October 1976 for one day only and, subject to approval of dividend, warrants will be posted on 11 November 1976.

ANNUAL GENERAL MEETING

The annual general meeting will be held on 9 November 1976 at 11.30 a.m. in Hall 15, Winchester House, 100 Old Broad Street, London EC2N 1BU.

A. Gallenkamp & Company Ltd

Scientific instruments - laboratory apparatus
Technico House Christopher Street London EC2P 2ER

MINING NEWS

Losses gather at Poseidon

THE GLOOM over the future of Poseidon darkened yesterday when the Australian nickel company, once the speculative favourite of thousands, announced that its consolidated loss for the year to the end of June was more than four times higher than in 1974-75 at \$14.04m. (£10.08m.) and that it was carrying forward losses of \$15.77m. (£11.55m.).

The news caused an immediate reaction on the markets, the share price falling in Australia from \$1.30 to 92 cents and dropping from 130p to 90p in London.

The consolidated loss was made up of an operating deficit of \$5.61m. (£4.02m.), nearly double that of 1974-75, and extraordinary items of \$8.43m. (£6.02m.). Poseidon has written down the value of its 47 per cent stake in the Kalgoolie Lake View, whose Mount Charlotte gold mine has suspended production, by \$4.3m. and this is the largest element among the extraordinary items.

In the face of its mounting difficulties, which come on top of losses totalling \$27.7m. at the end of June 1975, Poseidon is seeking to restructure its debts, reduce debt servicing charges and to gain some relief on royalty and general costs outside the Windarra operation.

Poseidon is still looking for a buyer for its half share in the Windarra nickel mine and has had talks with both Australian and foreign companies. It still seems likely, however, that the most appropriate buyer would be its partner, Western Mining. The two companies are investigating a lower production rate for Windarra and long-term exploration could be suspended.

Meanwhile Western Mining has agreed to provide funds to meet day-to-day administration costs at Mount Charlotte but has said that it was unlikely to provide additional share capital.

GOLD OUTPUT INCREASING

South African gold production reached its highest level of the year in August, figures from the Chamber of Mines reveal. The output was 1,986,448 ozs, making a total for the first eight months of the year of 15,084,709 ozs. But this cumulative figure is still running a little behind production at the same stage of last year. Then production had reached 15,137,321 ozs and the final output for 1975 was the lowest for 14 years at 22,787,000 ozs.

Although mine production is subject to some seasonal variation, the higher level of output reflects the improved labour position of the mines and the tendency to concentrate on higher grade ore as a response to the lower bullion price. Figures in recent months indicate that the decline in production which has been taking place for the last 14 years may be starting to level out.

ROUND-UP

A one-year option has been given to Amalgamated Industrial and Robertson Research International to evaluate the prospects for re-opening the Carrock Fell tungsten mine in Cumbria. The option was given by the American company, which owns 70 per cent of the mine. In the event of a decision to re-open the mine, Amalgamated Industrial will gain a 30 per cent interest and Robertson Research a 13.5 per cent stake.

Land for a third alumina refinery in Western Australia has been bought by Alcoa of Australia 70 miles south of Perth. Alcoa of the U.S. is the majority partner. Other companies involved in the project are Western Mining and North Broken Hill.

The chairman of Nuclear Fuels of South Africa, Mr. Adolf Schumann, said at a conference in Geneva that South Africa hoped to double its uranium output within a few years. This would bring it back to the peak level of 1959 when about 6,000 tonnes of uranium oxide were produced.

Lacking glister

THE ANNUAL statements of the West Rand gold producers in the Consolidated Gold Fields group reflect the background of low bullion prices and continuing high costs. On the credit side the recovery of the supply of labour but West Driefontein is not prepared to make any dividend forecasts despite anticipations of increased gold and uranium production.

Nor is Kloof which mentions delays in underground development. As a result the build-up in the mine's monthly output from its current 125,000 tons to an eventual 210,000 tons has been slowed down. It is now intended to continue increasing the rate until it reaches 180,000 tons in 1978 where it will be maintained "for some years" before an eventual fall to 210,000 tons.

Doornfontein anticipates continued high rate of capital spending and foresees a reduced dividend in the current year. Libanon also expects to pay less, despite a higher gold output, the use of State aid to tide it over the present lean times and although the mine has given the statutory notice of closure it is hoped that a recovery in the gold price will allow profitable operations "for a number of years to come."

The Anglo American Corporation group's closed-down Daggafontein mine says that after the transfers of the freehold and other rights have been registered to the purchasers the directors will be able to consider a final dividend of 1 cent per share, it is stated.

NO TEARS OVER IMF AUCTION

Despite short-term pressures on the bullion market, South Africa's Finance Minister, Mr. Owen Horwood, reckons that the gold price will recover in the long run. Speaking in Pretoria yesterday he took the view that the latest International Monetary Fund gold auction should be regarded as a considerable achievement. He was encouraged by the fact that bids were received for 3.66m. ounces, compared with the 789,000 ounces being offered, and considered that under the previous auction price method the average received would have been higher than the \$100.40 achieved at the latest sale. Yesterday, the gold price jumped \$3.50 to \$113.25 per ounce.

MINING BRIEFS

KINTA KELLAS-August output 371 tonnes. (July 381 tonnes). KENT (PMS)-August output 271 tonnes. (July 491 tonnes). NEW GUINEA GOLDFIELDS-Four weeks ended August 23 Golden Ridge produced 1,940 tonnes ore, averaging 68.1 per cent gold produced 486.75 ounces silver produced 648.25 ounces. Eddie Creek produced 26.15 ounces silver produced 22.56 ounces. Wau Sawmill: Sawm timber produced, super first, 328,265.

AUSTRALIAN & INT. TRUST

Australian and International Trust is lifting its dividend from 2.1p to 2.4p net per 30p share for the year to July 31, 1976. Gross revenue decreased from £350,563 to £214,144 and earnings per share dipped from 2.61p to 2.52p. 1975-76 1974-75

Gross revenue 314,104 330,243
Taxation 159,152 143,592
Net revenue 154,952 186,651
NAV per share 132.50 108.40

Confidence at Distillers

THE BOARD of the Distillers' Company was looking forward with confidence to the coming year, but could not forecast the same percentage rise in trading profits as last year, Mr. Robin Carter, the chairman, told the annual meeting. Last year's 30 per cent rise had been by contrast with the poor results of 1974-75, he said.

The recovery of the U.S. economy had not continued as quickly as expected and imports of whisky in the four months to July this year had dropped by 10 per cent. But there were some encouraging factors. Group sales and profit dropped from £168,474 to £138,348 subject to £51,200 (£89,000) tax.

The interim dividend is held at 1.383p net—last year's total was 3.432p and profit £273,492. Last year's first half extraordinary debit of £25,426 was not repeated.

The company makes business forms and equipment.

Cartwright making headway

Manufacturers of door and window furniture, R. Cartwright (Holdings) announces an increase in taxable profit from £78,100 to £166,708, for the first half of 1976, an increase ahead from £1,368m. to £1,811m.

Earnings per 10p share jumped from 1.39p to 2.71p and the interim dividend is maintained at 1p net. Last year from profits of £234,704 total payments of 2.108p were made.

The general improvement in business experienced in the second six months of 1975 continued into the first half of 1976 and enabled the level of profitability to be maintained. The present rate of demand indicates this will continue for the remainder of year.

Prospects for the building industry in 1977 are still clouded by the general economic situation and recent Government expenditure cuts but it is gratifying to note and welcome the increasing diversification of an increasing

proportion of profit derives from sources other than the building trade, says chairman Mr. J. C. Northam.

Jas. Wilkes slips at six months

First half 1976 turnover of James Wilkes was similar at £3,431m., compared with £3,441m. last year, but profit dropped from £168,474 to £138,348 subject to £51,200 (£89,000) tax.

The interim dividend is held at 1.383p net—last year's total was 3.432p and profit £273,492.

Last year's first half extraordinary debit of £25,426 was not repeated.

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Tax hits Empire Plantations

Pre-tax profits of Empire Plantations, and investments increased by 29 per cent to £449,000 in the year to March 31, 1976, but as a result of a full tax charge on profits in India earnings are shown to have fallen from 3.1p to 1.3p per 10p share.

The Ordinary dividend is held at 0.65p net. Dividends will be paid when sufficient funds are available in the U.K.

During the year the investment in Single Holdings was increased to 24 per cent, in line with the policy of owning substantial holdings in other companies.

J. Halstead pays 0.325p

James Halstead (Holdings) is paying a dividend of 0.325p net per 10p share for the year to June 30, 1976, compared with 0.1625p for the previous year. The company restores the dividend to the 0.675p paid for 1974-75.

On a turnover up from £11.6m. to £12.44m., pre-tax profit was marginally down at £217,025. Earnings were 1.44p (1.68p) per share.

The company manufactures plastic floor tiles and mouldings, waterproof clothing, etc.

BIDS AND DEALS

Manbre and Garton opposition

A further appeal has been sent to shareholders of Manbre and Garton by the chairman, Mr. Frank Smith, urging rejection of the take-over offer from Tate and Lyle. The bid is not to be referred to the Monopolies Commission, it is made known last week.

The document from Mr. Smith describes the offer as "a bad bid" and advances arguments against it, including claims that it fails to value Manbre's profits and that it ignores that company's future growth.

Letters are enclosed from employees at Manbre's Sankey Sugar, Western Sugar Refineries and the Hammermill Refinery of Manbre Sugar, expressing opposition to the proposed take-over.

W. CROWTHER

British Land and W. Crowther and Sons have reached an agreement by which British Land will offer to acquire the 51,832 shares of Crowther not already held, at 200p cash—British Land already controls 2,691,301 shares.

Shareholders of Crowther will be entitled to retain the final dividend of 23.441p in respect of (£2,441p per share) in respect of

the year to March 31, 1976. Crowther has been advised by County Bank.

J. & J. CASH— JONES STROUD

Jones Stroud, the textile concern which failed after a stiff fight two years ago to win control of J. & J. Cash, the name-tapes company, has now won backing from the latter's Board to a new and slightly higher offer. The settlement comes against the background of a less happy trading picture for Cash in the last two years.

The fresh bid is 180p cash a share compared with the final offer of 130p which was rejected in 1974. It values the 30 per cent, not already controlled by Jones Stroud at £470,000 and puts a worth of some £500,000 on the whole of Cash, an unquoted public company which makes labels, trimmings and badges as well as name-tapes.

The Cash directors, headed by Mrs. Anne Sargent, are accepting the new offer for their own holdings totalling 21.15 per cent, so that Jones Stroud is assured of obtaining control this time. Trading conditions for Cash have proved very difficult in the last two financial years and this has been reflected in a substantial reduction in the number of employees. The Jones Stroud Board is confident of being able to assure the continuity of Cash to the benefit of employees.

DAGGAFONTEIN MINES LIMITED

(Incorporated in the Republic of South Africa)

INTERIM REPORT - 1976

FINANCIAL RESULTS
The following are the unaudited results of the company for the half-year ended 30th June 1976, together with comparative figures for the half-year ended 30th June 1975 and the year ended 31st December, 1975.

	Half-year ended 30.6.76 R	Half-year ended 30.6.75 R	Year ended 31.12.75 R
Income	4,000	10,000	13,000
Interest received	8,000	2,000	8,000
Other revenue	12,000	11,000	21,000
Deduct:			
Expenditure			
Contributions towards			
grassing of slimes	130,000	44,000	44,000
Dams	1,000	2,000	2,000
Administration expenses	13,000	11,000	22,000
Share transfer expenses			
stock exchange listing	13,000	19,000	33,000
fees and sundry expenses			
	157,000	76,000	106,000
Net loss	R145,000	R65,000	R95,000

The income received during the period does not include any amounts in respect of the sales of property referred to below.

TERMINATION OF STOCK EXCHANGE LISTINGS

An announcement was published in the Press on 13th June 1976, and copies thereof sent to registered shareholders, advising that the listing of the company's shares on the Johannesburg Stock Exchange had been terminated as from the close of business on 2nd June 1976 and that the listing on the London and Rhodesian stock exchanges had also been terminated.

PROGRESS TOWARDS DEREGISTRATION

In a circular dated 13th July 1976 shareholders were given notice of a general meeting of the company to be held on 5th August 1976 to consider the passing of a special resolution to amend the articles of association and two ordinary resolutions, the one to ratify the sale of the company's remaining freehold property, namely, the remaining extent of the farm Daggafontein No. 125 I.R., for the price of R50,000, and the other to authorise the directors to proceed with the deregistration of the company. At the general meeting held on 5th August 1976 the two ordinary resolutions were passed and the meeting was adjourned to consider the passing of the special resolution because the necessary representation was not present as required by section 199(1) of the Companies Act, 1973. At the adjourned general meeting held on 12th August 1976 the special resolution was passed and was registered by the Registrar of Companies on 2nd September 1976. Since 30th June 1976 the company's remaining mining rights and rights to estate owner's share of licence and other monies have been sold for a total consideration of R12,000. The transfer into the name of the respective purchasers of the freehold of the remaining extent of the farm Daggafontein No. 125 I.R. and the mineral and other rights referred to is now in progress.

After these transfers have been registered, the purchase price paid to the company and the necessary clearance certificate required in terms of the Mines and Works Act, 1956, relative to the required measures taken by the company following the discontinuation of its mining operations, the directors will then be able to consider the question of any final distribution to shareholders by way of a dividend. It is now clear that if a final distribution is possible, it will be less than one cent a share.

As soon as the various property transfer formalities have been concluded, the aforementioned clearance certificate obtained and the question of any dividend distribution resolved, application will be made for the deregistration of the company in terms of section 73(3) of the Companies Act, 1973, on the basis of the company having no assets or liabilities. For and on behalf of the Board

D. R. HOFFE | Director

M. S. McCURRY | Director

Administrative and Technical
Advisers and Secretaries
Anglo American Corporation of
South Africa Limited
44 Main Street
JOHANNESBURG 2001
(P.O. Box 61587 MARSHALLTOWN 2107)

Head Office
44 Main Street
JOHANNESBURG 2001
London Office
40 Holborn Viaduct
EC1P 1AJ

Transfer Secretaries
Consolidated Share Registrars Limited
63 Marshall Street
JOHANNESBURG 2001
(P.O. Box 61051 MARSHALLTOWN 2107)
Charter Consolidated Limited
P.O. Box 102
Charter House
Park Street
KENT TN 24 SEQ

Johannesburg
16th September 1976

Tioxide Group Limited

International manufacturers of titanium pigments

Statement of unaudited results for the half-year ended 30th June 1976.

	Half-Year to 30th June 1976	Half-Year to 31st December 1975	Half-Year to 30th June 1975
External Sales: UK markets	£'M	£'M	£'M
Overseas	17.51	13.99	12.25
Total	50.10	36.29	30.43
Profit before taxation	67.61	50.28	42.68
Taxation	10.88	5.60	3.72
Profit after taxation	5.34	2.53	1.89
Minority interests	5.54	3.07	1.83
Profit attributable to shareholders	0.20	0.11	0.13
	5.34	2.96	1.70

The value of goods exported from the UK, including intra-group sales, was £13.1m.

Income and expenditure of overseas subsidiary companies have been converted into sterling at the rates of exchange ruling at the end of each period. Changes in the sterling values of the parent company's interest in overseas companies, arising from exchange fluctuations, have been excluded from profits.

For the first half of 1976 the taxation charge consists of £2.53m. UK Corporation Tax (calculated at 52%) and £2.81m. overseas tax.

During the first half of the year there has been an improvement in both volume and prices of pigment sales, particularly in overseas markets. It is expected that this trend will continue.

Tioxide
TITANIUM PIGMENTS

TIOXIDE GROUP LIMITED 10 STRATTON STREET LONDON W14 4XP

The Caledonian Trust Company Limited

	1976	1975
Asset value per share	82.4p	75.2p
Total assets	£35,273,846	£32,875,922
Revenue attributable to ordinary shareholders	£518,881	£457,389
Ordinary dividend per share	Interim 0.50p Final 0.90p	0.50p 0.80p
Capitalisation issue in B ordinary shares	1.69972%	1.733585%

In his chairman's statement, Mr J. A. Lumsden concentrated on the question of investment trust discounts.

INVESTMENT TRUST SHARE DISCOUNTS

Investment trust shares continue to be valued on the stock market at very substantial discounts below their net asset values. Furthermore these discounts have increased rather than narrowed in the bull market and this is a matter of great concern to the Board.

There have been suggestions that investment trust companies should either liquidate or convert into unit trusts. I do not think such drastic action is called for, at least until we see whether these large discounts are here to stay. Moreover the combined effect of capital gains tax, investment premium surrender and penalties on early repayment of loans would absorb a considerable part of the difference between net asset value and

market price, both in the event of liquidation and unitisation.

Over the past ten years the net asset value of The Caledonian Trust Company's shares has outperformed the FT Actuaries all-share index. With their ability to adopt a flexible investment policy, to diversify both geographically and industrially, and to employ a measure of gearing when market prospects appear to justify this, investment trust companies should continue to provide growth in net asset value combined with steadily rising dividends. They should therefore prove to be a satisfactory medium of investment both for the individual and institutional investor.

ANNUAL GENERAL MEETING

The annual general meeting will be held on Monday, 11th October 1976 at 2.30 p.m. at 175 West George Street, Glasgow G2 2LD.



MANAGED BY MURRAY-JOHNSTONE LIMITED.

PIFCO

Pifco Holdings Limited

Salient Figures	1976	1975
Turnover	£8,026,300	£5,857,900
Profit before Taxation	£1,139,000	£1,082,100
Net earnings per share	11.34p	10.87p
Gross dividend per share	3.71p	3.37p

Extract from the Chairman's Statement

It has been a difficult year for the small appliance industry and against these background conditions the results were better than we had anticipated.

We have just launched a sizeable number of new products in the field of personal care appliances which will add further depth to our range and should expand our business and market share.

Turnover in the first quarter of this year shows progress. Our order book stands at a higher level than last year which augurs well. We face the future with quiet confidence but much depends on the recovery of the economy and consumer purchasing power.

Company floated 'without reasonable skill and care'



: information in the columns below is supplied by the companies named, which are members of The Association of Investment Trust Companies. The figures, which are in pence except where otherwise stated, are unaudited.

	Shies to Ordinary "A". Ordinary note, it includes special dividend, or Adjusted for senior issue, or Adjusted for rights issue. Company will announce year-end or interim results shortly. See also note (b) below.	(a) Valuation Two-monthly. Not directly comparable with previous published figure. B Depends on "B" share returns. Changes in the prior charges since the previous published figure.	(b) Col. 8	The amount per share/stock unit represented by 100 per cent. of the investment currency premium applied in calculating the valuation for cols. 1 & 2.
Cols. 1 & 2	Quoted investments are valued at mid-market prices; requested as directors' valuations; both include 100 per cent. of any investment currency premium after taking into account the percentage of any shortfall of foreign currency assets against foreign currency loans.		(c) Cols. 6-8	Convertible loan/preference stocks and warrants or subscription rights are treated in the way which produces the lower, i.e., Net Share. Convertible stocks are treated as fully converted at the rate for the next conversion date, or where a figure is marked "x" as prior charges; warrants or subscription rights are treated as exercised, except where a figure is marked "w".
Col. 1 & 2	All revenue account items are excluded.			
Col. 1 & 2	No account has been taken of any liability in respect of taxable gains which might arise on future disposal of investments.			
Col. 5 & 6	Amounts are per share/stock unit or per £100 Convertible Loan Stock. Column 5 precisely states: columns 6-8 to nearest one-tenth of a penny per share and the per £100 Convertible Loan Stock.			
Col. 5	Dividend is the last dividend declared or from forecast, excluding imputation credit. Interest on loan stocks is stated gross of income tax.			
Col. 5	Tenor charters are deemed to include redundancy share capital.			

Ennia raises interim dividend

Westdeutsche Landesbank Girozentrale

Though world demand for steel is only recovering slowly, Japanese steel makers are once again looking out for firm supplies of Australian iron ore. Douglas Ramsey reports from Tokyo.

Japan's billion dollar mining deal

JAPANESE AND Australian interests have been negotiating what could well be the biggest resource deal of the decade between the two countries. The money involved is massive: \$US.4.5bn. at present prices for 15 years' shipments of iron ore to Japan's steel makers, and, perhaps, an additional \$US.350m. Japanese equity holding in a new Western Australian iron ore mine. The entire pace of Australian resource development is at stake, which could be seriously hampered if Japan decides to buy the ore from existing mines instead of helping to open up new ones.

Breaking their silence for the first time, two Japanese steel producers have supplied the Financial Times with information about the state of play in the delicate talks with Australian mining companies and officials from Canberra. In a recent interview, Mr. Takashi Imai, general manager of the iron ore department at Nippon Steel and co-ordinator of the Japanese negotiating team, confirmed that the Australian producers are offering some 70m. tonnes of iron ore a year, but that Japan will only negotiate contracts for 20m. tonnes. "So much is already firm," Mr. Imai said. "Now it is a matter of deciding where the tonnage will come from."

Separately, another of Japan's Big Five steelmakers agreed to disclose, though refusing to be named, the production and cost terms outlined by Australia's mining groups at the outset of the negotiations. Those terms are by and large confirmed by other Japanese steel companies (and in the interview with Mr. Imai). Existing mines at Mt. Newman, Hamersley, and Robe River are offering a total 20m. tonnes from their planned mine extensions, and new mines at Goldsworthy C. Marandoo, and Deepdale could bring nearly 50m. tonnes on line by 1980 or shortly thereafter.

"The cost of opening a new mine to produce 20m. tonnes of iron ore a year is about \$1bn.," Mr. Imai said. "For an existing mine, a 6m. or 7m. tonne capacity expansion would cost only a tenth of that, and the Japanese side would not have

to provide the finance for expansion. But the new mines are insisting on a cost-of-opening guarantee, as well as a fair view. Diversification is one component of that longer view. Japanese steel-makers have already done their best to diversify between countries, particularly by buying 20m. tonnes a year from Brazil. The argument applies to new mines in much the same way as it does to new supplier away from existing mines, the countries.

THE NEW MINE PROPOSALS

GOLDSWORTHY C

Shareholders: Utah, Cyprus, and Consolidated Gold Fields Australia, each one-third. Deposits: Proven 242m. tonnes. Production offered: 6m. tonnes in 1979, 12m. in 1980, 18m. from 1981. Capital outlay: \$Aust.563.5m. (assuming joint use of some Mt. Newman infrastructure). Operating costs: \$Aust.5.07 a ton. Equity offered to Japanese buyers: 20-30 per cent. Price asked: Cost guarantee plus 15 per cent. rate of return.

MARANDOO

Shareholders: Texas Gulf 50 per cent.; Hancock Wright 50 per cent. Deposits: Proven 239m. tonnes. Production offered: 4.5m. tonnes in 1978, 13.5m. in 1979, 18m. from 1980. Capital outlay: \$Aust.674.9m. Operating costs: \$Aust.3.61m. Equity offered to Japanese buyers: one-third. Price asked: Cost guarantee plus 13 per cent. rate of return.

DEEP DALE

Shareholder: Broken Hill Proprietary 100 per cent. Deposits: Proven 930m. tonnes. Production: 15m. tonnes after third year of operation, but only 6m. tonnes available for export to Japan. Capital outlay and operating costs: Not available (but low, to use existing Robe River infrastructure). Equity offered to Japanese: one-third. Price asked: Market price.

first major Japanese steel equity stake in a foreign mining venture, and most important, the long term potential for boosting output if the world steel market picks up in the 1980s. The 20m. tonnes of iron ore "do not take into account working our plants to capacity," Mr. Imai said, all-out steel production would require additional iron ore input.

In the case of at least two new mines, Goldsworthy C. and Marandoo, capacity could be pushed to twice the foreseen level in the mid-1980s if need be. This flexibility, despite the high cost of opening up, could

On equity, Mr. Imai confirmed information from other Japanese steel sources that Marandoo and Deepdale were offering Japan a one-third stake, and Goldsworthy C. a 25 per cent. one. Japan's equity participation in overseas iron-ore ventures so far has been limited to an iron-ore pellet operation in Brazil, where the various Japanese steel companies took shares roughly equivalent to their planned respective import levels for pellets. But in the case of Australia, there are some reservations. Canberra's treatment of foreign equity

holders in the past has varied greatly.

The equity issue is a difficult one, although Japanese companies seem willing to take the plunge if Australia goes some way towards meeting their demands. New favourable treatment for the mining sector in Canberra's budget last month was a big first step. Now, it is understood in Tokyo, Japanese importers want two specific demands met. The first is a three-year price fixing for raw material and fuel imports, to

potential. To do otherwise would be unwise, and Japanese industry, despite a rough recession, has not yet lost its penchant for investing wisely and with the longer view. The steel companies may throw a bone to one or more of their present suppliers (who send some 70m. tonnes a year to Japan) and put in a small additional order, but only if the price is right. (Other Japanese companies, in particular Mitsui at Robe River and a Mitsui-C. Itoh combine at Mt. Newman

prices in line with the costlier new mines, so the savings to Japan would only be in a cheaper one-third equity stake.

Deepdale, moreover, already has commitments to BHP, so only 6m. tonnes of a 15m. tonne capacity after the third year of operation could go to Japan. So for Japanese steel companies the Deepdale option would also mean large additional commitments for expanding older mines. This is feasible but more complicated than going into once-and-for-all new mines.

There are two such projects. The first is Goldsworthy C, with three one-third equity shareholders at present: Utah, Cyprus and CIFA, though a major restructuring is now proposed. It can start producing in 1979, and jump to 18m. tonnes output by 1981. The capital costs are estimated at \$Aust.563m. (about \$400m.), and operating costs at \$Aust.5.07 a ton.

Marandoo is at present a 50-50 joint venture of Texas Gulf and Hancock and Wright. Ore deposits are a shade less than at Goldsworthy C, but first shipments can come in 1978, and reach 18m. tonnes by 1980, a year earlier than its competitor. The Marandoo negotiators are initially asking for a 21-year contract with Japanese buyers (as opposed to 15 for Goldsworthy), but it is now understood that a 15-year contract is acceptable. Capital outlay for Marandoo would be an estimated \$Aust.674.9m. more than at Goldsworthy, although operating costs there after will be more like \$Aust.3.61 a ton. A one-third stake in the mine is on offer to the steel companies.

Which is the better investment? Mr. Imai of Nippon Steel says all the projects are still under study. But in reply to a question about equity participation—"if you take a stake which would you prefer, a bigger or a smaller one?"—the Japanese negotiator said unequivocally, "the larger one." That would, all other things being equal (which of course they are not), tip Marandoo as the most likely to succeed.

There is still some time to go before the final decision; and all the mine operators will struggle to sway the steel-makers. Whichever wins, it is the Japanese who are calling the shots on this deal.

See also Mining News Page 51.



Loading iron ore at Port Hedland, Western Australia.

APPOINTMENTS

Changes at United Biscuits Group

UNITED BISCUITS (HOLDINGS), the wholesaling arm of Augustus Barnett and Son, Mr. Stoney, who will be responsible for the day-to-day management of the company, joined Augustus Barnett in 1974.

Mr. K. E. Cheshire and Mr. R. A. Noakes have been appointed senior executives, European area, MIDLAND BANK INTERNATIONAL DIVISION. Mr. Cheshire was previously senior European representative, Brussels, and Mr. Noakes was a foreign manager, European area.

Mr. C. J. Elliott has been appointed to the Board of FUTURE HOLDINGS (OVERSEAS INSURANCE SERVICES).

Mr. David Innes, general manager of the Sheffield unit of W. T. NORTON (MACHINE TOOLS), has been appointed a director of the company.

Mr. M. G. Rider will join the Board of OWEN OWEN on December 1 as group financial director.

Mr. C. W. Schultz, who has been appointed managing director of CLIFTS INTERIORS, was previously a marketing executive with Ford of Europe Inc.

Mr. J. D. A. Wallinger will be joining the partnership of ROWE AND PITMAN, HURST-BROWN on November 1.

Mr. J. P. L. Davis and Mr. J. L. Kellock, shipbrokers: Mr. A. A. Ferris, Mr. A. J. S. Goldman and Mr. R. K. Till.

The following have been appointed directors of C. W. KELLOCK, shipbrokers: Mr. A. A. Ferris, Mr. A. J. S. Goldman and Mr. R. K. Till.

Celtic Petroleum, of Bermuda, has announced the appointment of Mr. John Lister as managing director of its London service company, COMMERCIAL PETROLEUM ASSOCIATES. Mr. Lister was previously in charge of BP products trading in Europe and the Western Hemisphere.

Dr. Hyman Rose has been appointed group technical director of FOSCO MINSEP INTERNATIONAL, part of the Fosco Minsep Group. Dr. Rose joins the Group on October 1 from the International Research and Development Co., where he has been managing director since 1967.

Mr. John Greenwood has been appointed sales director of ULTRAMAR GOLDEN EAGLE, the U.K. marketing subsidiary of the Ultramar Group. He was previously sales manager in charge of all retail gasoline and authorised distributor sales.

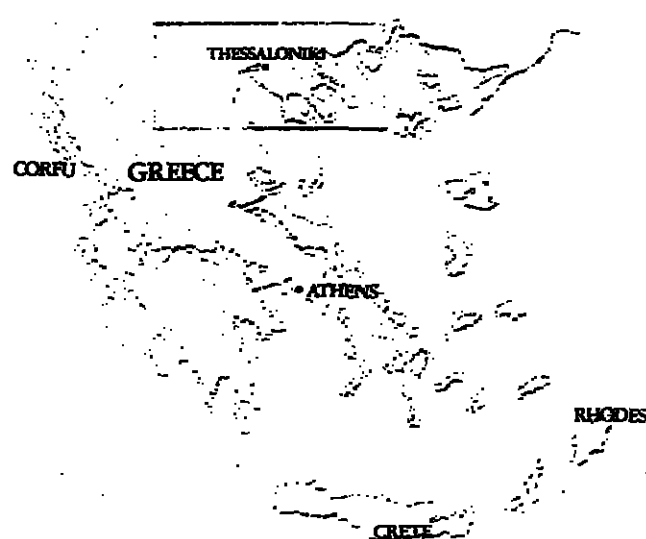
Mr. J. C. Court has relinquished his position as a director and deputy chairman of BSG INTERNATIONAL, but will continue his association with the company as a consultant.

Mr. Michael Stoney has been appointed a director of CITY OF LONDON WINE AND SPIRIT MERCHANTS.

Mr. A. J. Semko has been appointed a director of MOSCOW NARODNY BANK.

This city and its peninsula are of such beauty, it is worthy to carry the name of my wife, Thessaloniki.

Cassander, 'King of the Macedonians' 316 BC.



Philippi, the charming fishing port of Kavalla, and lush green Thassos, an island beautiful beyond description.

To the west you will find heady Mount Olympus, the Gods' seat in the sky, Kastoria, with its 18th century mansions clinging to the edge of a mountain lake, and the famed mosaics of Pella, the archeological site that was once the birthplace of Alexander the Great.

The most renowned warrior in the history of Greece, Alexander brought power to Macedonia, and achieved near-divine status as he multiplied the Grecian world four-fold.

But his death marked the sunset to the long day of classical Greece, and Thessaloniki itself, though largely modern and comfort-filled, amazingly still bears witness to 2,000 years of successive conquests.

The Roman 'Triumphal Arch of Galerius', The Byzantine churches and mosaics. The famous Venetian 'White Tower'. And the wonderfully preserved 'Old Town'.

The old lives on with the new. And that exactly explains the magic at the heart of every Grecian holiday.

For information on the incredible choice available, just write to: The National Tourist Organisation of Greece, 195-7 Regent Street, London W1. Or call 01-734 5997/8/9. Or ask your travel agent.

And if you decide to begin in Macedonia-Greece and its peninsula, then you will surely discover that Cassander must have married a most beautiful woman.

Greece and the Hellenic Isles.

They're closer than you think.

With this dedication, Cassander paid a lasting tribute to a city that was to grow to near-Athenian stature, and to a peninsula that boasts the most beautiful landscape in all the Hellenic world.

A sun-worshiper's paradise called Halkidiki, this peninsula holds spectacular contrasts within its three 'fingers' that stretch deep into the Aegean.

Kassandra is already graced with tourist complexes and luxury hotels.

Sithonia harbours colourful fishing villages, camping sites and mile after mile of enchantingly unspoilt, even deserted, coves.

While Mount Athos reveals, alas for male eyes only, the intimate, medieval atmosphere of some twenty monasteries.

But Halkidiki is just a part of Macedonia-Greece, truly an explorer's haven.

To the east lie the ruins of famous



AUTHORISED UNIT TRUSTS

[illegible]

INSURANCE, PROPERTY, BONDS

REGIONAL MARKETS

tion of the share prices previously shown under regional headings
 noted in London, are shown separately and with prices as on the Bris

		PRICE	
Op	1	80	1
1	10.30 Sun. L.	140	1
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5	10.30 Sun. L.	140	1
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100	10.30 Sun. L.	140	1

OD PRICE MOVEMENTS

	Sep. 16	Week ago	Month ago
	£	£	£

ish A.1 per tonf	940	960	940
ish A.1 per tonf	925	920	920
ish A.1 per tonf	920	920	920
ish A.1 per tonf	920	920	920
R (packet)			
ish per 200 lb	9.24-9.39	9.24-9.39	9.24-9.39
ish per cwt	36.00	52.90	51.80
ish salted per cwt	56.40-58.83	56.40-58.83	53.70-55.85
ish cheddar rindless			
per tonne	950.79	950.79	950.79
per tonne	896.50	872.50	872.50
ne-prod. Standard	3.40-3.70	3.50-3.55	3.70-3.90
Large	3.00-4.10	4.10-4.20	3.90-4.10
Sept. 16	Week ago	Month ago	
per pound	per pound	per pound	
P	P	P	P
ish killed sides			
(ex. KKCF)	43.0-48.0	44.0-47.0	42.5-45.5
forequarters	30.0-37.0	35.0-39.0	30.0-33.0
ish	40.0-43.0	42.0-45.0	38.0-39.0
PLS-PVX	38.0-43.5	36.0-42.0	38.0-41.5
all weights)	29.0-37.0	29.0-32.0	27.0-35.0
ish ewes	—	18.0-23.0	—
RY			
ish chickens	29.5-32.0	29.5-32.0	29.0-30.0
ish chicken	price per 120 eggs	price per 120 eggs	price per 120 eggs
liver September 18-23			Delivered.

SUPERIOR HOUSING INVESTMENT

shed Building Company invites offers for part, or all, development of some 30 superior houses and flats. The site is situated in the West of England close to areas of outstanding natural beauty and within commuting distance of South Wales and the West Midlands. The Company's present development already exceeds £100,000 and includes provision of all mains services. Would consider outright development on a joint venture basis with a larger company.

Replies in the first instance to:
S.5668, Financial Times, 10, Cannon Street, EC4A 4BY

Record Half year for Quicks

The Group turnover for Half Year to 30th June 1976 was £16,611,041 compared with £11,780,821 for the same period last year.

Trading Profit (before interest) increased by 92% from £271,459 to £522,591.

Profit before tax rose by 180% from £127,701 to £358,930. The Interest Dividend was £1,000,000. It was proposed to pay £0.4154p to £0.506p per share. It is expected to recommend the same First Dividend as last year making the total for 1976 the maximum payable under Treasury rules.

The excellent result reflects not only the capacity of your Company to market its products in a highly competitive market, but also the Departmental efficiency throughout the Group.

Notwithstanding the fact that the Company has suffered, as a result of inflation, overheads, as a percentage of turnover, are the lowest level since 1972.



Quicks for Ford

Copies of the Interim Report are obtainable from the Secretary.
J Durr Group Ltd, 160 Chester Road, Old Trafford, Manchester M16 0GU

[illegible]

OFFSHORE AND OVERSEAS FUNDS

[illegible]

NOTES

30 Bath St., St. Helier, Jersey	6504	72114	
Growth, 1965	242.3	242.9	1.00
1966	242.3	242.9	1.00
1967	242.3	242.9	1.00
1968	242.3	242.9	1.00
1969	242.3	242.9	1.00
1970	242.3	242.9	1.00
1971	242.3	242.9	1.00
1972	242.3	242.9	1.00
1973	242.3	242.9	1.00
1974	242.3	242.9	1.00
1975	242.3	242.9	1.00
1976	242.3	242.9	1.00
1977	242.3	242.9	1.00
1978	242.3	242.9	1.00
1979	242.3	242.9	1.00
1980	242.3	242.9	1.00
1981	242.3	242.9	1.00
1982	242.3	242.9	1.00
1983	242.3	242.9	1.00
1984	242.3	242.9	1.00
1985	242.3	242.9	1.00
1986	242.3	242.9	1.00
1987	242.3	242.9	1.00
1988	242.3	242.9	1.00
1989	242.3	242.9	1.00
1990	242.3	242.9	1.00
1991	242.3	242.9	1.00
1992	242.3	242.9	1.00
1993	242.3	242.9	1.00
1994	242.3	242.9	1.00
1995	242.3	242.9	1.00
1996	242.3	242.9	1.00
1997	242.3	242.9	1.00
1998	242.3	242.9	1.00
1999	242.3	242.9	1.00
2000	242.3	242.9	1.00
2001	242.3	242.9	1.00
2002	242.3	242.9	1.00
2003	242.3	242.9	1.00
2004	242.3	242.9	1.00
2005	242.3	242.9	1.00
2006	242.3	242.9	1.00
2007	242.3	242.9	1.00
2008	242.3	242.9	1.00
2009	242.3	242.9	1.00
2010	242.3	242.9	1.00
2011	242.3	242.9	1.00
2012	242.3	242.9	1.00
2013	242.3	242.9	1.00
2014	242.3	242.9	1.00
2015	242.3	242.9	1.00
2016	242.3	242.9	1.00
2017	242.3	242.9	1.00
2018	242.3	242.9	1.00
2019	242.3	242.9	1.00
2020	242.3	242.9	1.00
2021	242.3	242.9	1.00
2022	242.3	242.9	1.00
2023	242.3	242.9	1.00
2024	242.3	242.9	1.00
2025	242.3	242.9	1.00
2026	242.3	242.9	1.00
2027	242.3	242.9	1.00
2028	242.3	242.9	1.00
2029	242.3	242.9	1.00
2030	242.3	242.9	1.00
2031	242.3	242.9	1.00
2032	242.3	242.9	1.00
2033	242.3	242.9	1.00
2034	242.3	242.9	1.00
2035	242.3	242.9	1.00
2036	242.3	242.9	1.00
2037	242.3	242.9	1.00
2038	242.3	242.9	1.00
2039	242.3	242.9	1.00
2040	242.3	242.9	1.00
2041	242.3	242.9	1.00
2042	242.3	242.9	1.00
2043	242.3	242.9	1.00
2044	242.3	242.9	1.00
2045	242.3	242.9	1.00
2046	242.3	242.9	1.00
2047	242.		

MINES—Continued						
FAR WEST RAND						
1976 High Low	Stock	Price	% of	Div	Yr	Conv
170	250	320	-10	Q75c	4	15
134	440	560	-10	Q125c	4	24
198	79	105	+			
160	125	105	+	Q55c	4	10
965	390	510	-10	Q75c	1	9
280	122	145	+1			
190	14	82	-10	Q35c	4	10
160	125	105	-10	Q75c	4	10
975	250	350	+	Q45c	4	20
760	140	250	-10	Q80c	4	20
740	130	330	-10	Q80c	4	20
120	92	140	-10	Q45c	4	10
1203	70	675	-10	Q175c	2	11
420	48	100	-4	Q470c	4	10
120	100	100	-10	Q45c	4	10
135	68	130	-5	Q100c	1	11
1354	480	640	-5	Q100c	1	11

[illegible]

DIAMOND AND PLATINUM									
532	177	Anglo-Am Int Soc	522	4	7034	16	7	—	—
533	178	Anglo-Am Int Soc	523	5	7035	16	7	—	—
534	180	Do. Bcers Df Wp	524	5	7036	16	7	—	—
535	187	Do. Bcers Df Wp	525	5	7037	16	7	—	—
536	187	Do. Bcers Df Wp	526	5	7038	16	7	—	—
537	187	Do. Bcers Df Wp	527	5	7039	16	7	—	—
538	187	Do. Bcers Df Wp	528	5	7040	16	7	—	—
539	187	Do. Bcers Df Wp	529	5	7041	16	7	—	—
540	187	Do. Bcers Df Wp	530	5	7042	16	7	—	—
541	187	Do. Bcers Df Wp	531	5	7043	16	7	—	—
542	187	Do. Bcers Df Wp	532	5	7044	16	7	—	—
543	187	Do. Bcers Df Wp	533	5	7045	16	7	—	—
544	187	Do. Bcers Df Wp	534	5	7046	16	7	—	—
545	187	Do. Bcers Df Wp	535	5	7047	16	7	—	—
546	187	Do. Bcers Df Wp	536	5	7048	16	7	—	—
547	187	Do. Bcers Df Wp	537	5	7049	16	7	—	—
548	187	Do. Bcers Df Wp	538	5	7050	16	7	—	—
549	187	Do. Bcers Df Wp	539	5	7051	16	7	—	—
550	187	Do. Bcers Df Wp	540	5	7052	16	7	—	—
551	187	Do. Bcers Df Wp	541	5	7053	16	7	—	—
552	187	Do. Bcers Df Wp	542	5	7054	16	7	—	—
553	187	Do. Bcers Df Wp	543	5	7055	16	7	—	—
554	187	Do. Bcers Df Wp	544	5	7056	16	7	—	—
555	187	Do. Bcers Df Wp	545	5	7057	16	7	—	—
556	187	Do. Bcers Df Wp	546	5	7058	16	7	—	—
557	187	Do. Bcers Df Wp	547	5	7059	16	7	—	—
558	187	Do. Bcers Df Wp	548	5	7060	16	7	—	—
559	187	Do. Bcers Df Wp	549	5	7061	16	7	—	—
560	187	Do. Bcers Df Wp	550	5	7062	16	7	—	—
561	187	Do. Bcers Df Wp	551	5	7063	16	7	—	—
562	187	Do. Bcers Df Wp	552	5	7064	16	7	—	—
563	187	Do. Bcers Df Wp	553	5	7065	16	7	—	—
564	187	Do. Bcers Df Wp	554	5	7066	16	7	—	—
565	187	Do. Bcers Df Wp	555	5	7067	16	7	—	—
566	187	Do. Bcers Df Wp	556	5	7068	16	7	—	—
567	187	Do. Bcers Df Wp	557	5	7069	16	7	—	—
568	187	Do. Bcers Df Wp	558	5	7070	16	7	—	—
569	187	Do. Bcers Df Wp	559	5	7071	16	7	—	—
570	187	Do. Bcers Df Wp	560	5	7072	16	7	—	—
571	187	Do. Bcers Df Wp	561	5	7073	16	7	—	—
572	187	Do. Bcers Df Wp	562	5	7074	16	7	—	—
573	187	Do. Bcers Df Wp	563	5	7075	16	7	—	—
574	187	Do. Bcers Df Wp	564	5	7076	16	7	—	—
575	187								

[illegible]

TINS					
45	28	Island Nigeria	33	5.62	0.1426
298	160	Algeria	265	+2	23.0
300	17	Brazil '11	25	1.75	0.28
205	515	Herrings 2525	38	3.95	0.31
205	17	Germany	32	1.2	0.32
245	155	Jersey	205	5.0	0.7
24	17	K&B Base Exp.	20	1.2	0.32
25	170	London	200	+2	11.0
42	51	Hongkong	73		1.3
42	56	Idra Isp	60	7.15	1.9
42	51	Japan	60	5.0	1.2
42	31	Kanamaru Isp	33	5.7	1.2
250	135	Killingham	235	16.0	2.0
250	135	Longford	235	16.0	2.0
55	40	Alphong	278	30.25	3.6
55	40	Pengakalan Isp	48	37.0	4.5
55	40	Pengang Isp	48	37.0	4.5
46	19	Saint Peter	32	1.25	0.25
100	64	South Korea Isp	107	10.5	0.8
100	64	Spain	107	10.5	0.8
42	31	Sungai Bendu Isp	37	2.0	0.25
42	29	Sungai Waru Isp	42	+2	20.0
42	29	Tongkah Isp	42	2.0	0.6
52	40	Tongkah Har. SMI	33	10.25	0.7

COPPER									
85	35	Botswana RST R.	155						
335	170	Mexican R0.50	88	3	7035c	2.9	12.4		

MISCELLANEOUS									
10	8	Burma 30c new 17p.				0.1	0	2.0	
435	19	Charterhall 10c	191						
590	580	Cons. March 10c	760	-10	1980c	1.8	8.3		
455	245	Northgate CSI	310						
255	155	R.T.T.	215		5.42	2.1	5.5		
155	155	Robt. Lind 10c	115	-2					
155	155	Robt. Lind 10c	115	-2					
155	155	Tara Expt. 5c	613	-1					
45	22	Tchad Ministry 1p	42		h.1.05	0	4		
145	84	Ugand Cons. CSI	137						

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominated in £s. Estimated price/earnings ratios are based on the latest available earnings and accounting figures, and, where possible, are updated on half-yearly figures; they are calculated at £100 per net. P/E's are calculated on the basis of the latest available earnings, which include 10% bonus, or more, difference if calculated on "all" distributions. Covers are based on the latest available earnings and dividends. Dividends are based on net dividends at current rate of P/E, are based on middle prices; they are gross and allow for value of dividends in sterling and rights issues in foreign currencies. Dividends in sterling are quoted exclusive of the investment dollar premium.

A Sterling denominated securities which include investment dollar premium.

B High and Low's marked that have been adjusted to allow for 10% bonus for cash.

C Interim since increased or resumed.

D Interim since reduced, passed or deferred.

E Tax-free to non-residents.

F Figure or report awaited.

G Indefinite.

H Price at time of suspension.

I Indicated dividend after pending scrip and/or rights issues.

J Dividend paid or expected dividend or forecast.

K Free of Stamp Duty.

L Merger bid or reorganisation in progress.

M Same interim: reduced final and/or reduced earnings indicated.

N Based on 1972 profits.

O Cover allows for conversion of shares not yet ranking for interest.

P Dividend based on restricted dividend.

Q Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided, as the company has not made a dividend declaration.

R Regional price.

S No par value.

T Dividend figures based on prospectus or other official estimate. % Cent's. **U** Dividend rate paid or payable on part of the year.

V Redemption yield. **W** Final yield, **X** assumed dividend and yield. **Y** Assumed dividend and yield after scrip (value of scrip based on assumed dividend and yield). **Z** Dividend from previous total **U** Rights issue pending. **AA** Earnings based on preliminary figures. **AB** Australian currency. **AC** Dividend based on preliminary figures. **AD** Dividend based on preliminary figures. **AE** Dividend based on preliminary figures. **AF** Dividend based on preliminary figures. **AG** Dividend based on preliminary figures. **AH** Dividend based on preliminary figures. **AI** Dividend based on preliminary figures. **AJ** Dividend based on preliminary figures. **AK** Dividend based on preliminary figures. **AL** Dividend based on preliminary figures. **AM** Dividend based on preliminary figures. **AN** Dividend based on preliminary figures. **AO** Dividend based on preliminary figures. **AP** Dividend based on preliminary figures. **AQ** Dividend based on preliminary figures. **AR** Dividend based on preliminary figures. **AS** Dividend based on preliminary figures. **AT** Dividend based on preliminary figures. **AU** Dividend based on preliminary figures. **AV** Dividend based on preliminary figures. **AW** Dividend based on preliminary figures. **AX** Dividend based on preliminary figures. **AY** Dividend based on preliminary figures. **AZ** Dividend based on preliminary figures. **BA** Dividend based on preliminary figures. **BB** Dividend based on preliminary figures. **BC** Dividend based on preliminary figures. **BD** Dividend based on preliminary figures. **BE** Dividend based on preliminary figures. **BF** Dividend based on preliminary figures. **BG** Dividend based on preliminary figures. **BH** Dividend based on preliminary figures. **BI** Dividend based on preliminary figures. **BJ** Dividend based on preliminary figures. **BK** Dividend based on preliminary figures. **BL** Dividend based on preliminary figures. **BM** Dividend based on preliminary figures. **BN** Dividend based on preliminary figures. **BO** Dividend based on preliminary figures. **BP** Dividend based on preliminary figures. **BQ** Dividend based on preliminary figures. **BR** Dividend based on preliminary figures. **BS** Dividend based on preliminary figures. **BT** Dividend based on preliminary figures. **BU** Dividend based on preliminary figures. **BV** Dividend based on preliminary figures. **BW** Dividend based on preliminary figures. **BX** Dividend based on preliminary figures. **BY** Dividend based on preliminary figures. **BZ** Dividend based on preliminary figures. **CA** Dividend based on preliminary figures. **CB** Dividend based on preliminary figures. **CC** Dividend based on preliminary figures. **CD** Dividend based on preliminary figures. **CE** Dividend based on preliminary figures. **CF** Dividend based on preliminary figures. **CG** Dividend based on preliminary figures. **CH** Dividend based on preliminary figures. **CI** Dividend based on preliminary figures. **CJ** Dividend based on preliminary figures. **CK** Dividend based on preliminary figures. **CL** Dividend based on preliminary figures. **CM** Dividend based on preliminary figures. **CN** Dividend based on preliminary figures. **CO** Dividend based on preliminary figures. **CP** Dividend based on preliminary figures. **CQ** Dividend based on preliminary figures. **CR** Dividend based on preliminary figures. **CS** Dividend based on preliminary figures. **CT** Dividend based on preliminary figures. **CU** Dividend based on preliminary figures. **CV** Dividend based on preliminary figures. **CW** Dividend based on preliminary figures. **CX** Dividend based on preliminary figures. **CY** Dividend based on preliminary figures. **CZ** Dividend based on preliminary figures. **DA** Dividend based on preliminary figures. **DB** Dividend based on preliminary figures. **DC** Dividend based on preliminary figures. **DD** Dividend based on preliminary 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preliminary figures. **EA** Dividend based on preliminary figures. **EB** Dividend based on preliminary figures. **EC** Dividend based on preliminary figures. **ED** Dividend based on preliminary figures. **EE** Dividend based on preliminary figures. **EF** Dividend based on preliminary figures. **EG** Dividend based on preliminary figures. **EH** Dividend based on preliminary figures. **EI** Dividend based on preliminary figures. **EJ** Dividend based on preliminary figures. **EK** Dividend based on preliminary figures. **EL** Dividend based on preliminary figures. **EM** Dividend based on preliminary figures. **EN** Dividend based on preliminary figures. **EO** Dividend based on preliminary figures. **EP** Dividend based on preliminary figures. **EQ** Dividend based on preliminary figures. **ER** Dividend based on preliminary figures. **ES** Dividend based on preliminary figures. **ET** Dividend based on preliminary figures. **EU** Dividend based on preliminary figures. **EV** 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preliminary figures. **GN** Dividend based on preliminary figures. **GO** Dividend based on preliminary figures. **GP** Dividend based on preliminary figures. **GQ** Dividend based on preliminary figures. **GR** Dividend based on preliminary figures. **GS** Dividend based on preliminary figures. **GT** Dividend based on preliminary figures. **GU** Dividend based on preliminary figures. **GV** Dividend based on preliminary figures. **GW** Dividend based on preliminary figures. **GX** Dividend based on preliminary figures. **GY** Dividend based on preliminary figures. **GZ** Dividend based on preliminary figures. **HA** Dividend based on preliminary figures. **HB** Dividend based on preliminary figures. **HC** Dividend based on preliminary figures. **HD** Dividend based on preliminary figures. **HE** Dividend based on preliminary figures. **HF** Dividend based on preliminary figures. **HG** Dividend based on preliminary figures. **HH** Dividend based on preliminary figures. **HI** 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preliminary figures. **JA** Dividend based on preliminary figures. **JB** Dividend based on preliminary figures. **JC** Dividend based on preliminary figures. **JD** Dividend based on preliminary figures. **JE** Dividend based on preliminary figures. **JF** Dividend based on preliminary figures. **JG** Dividend based on preliminary figures. **JH** Dividend based on preliminary figures. **JI** Dividend based on preliminary figures. **JJ** Dividend based on preliminary figures. **JK**

BP buys £115m. Australia coal stake

By Ray Datter, Energy Corr.

BRITISH PETROLEUM is to pay £115m. for a substantial stake in Australia's coal mining industry as part of its worldwide diversification programme.

Its BP Coal subsidiary has exchanged letters of intent with Uniper Tankships, covering the purchase of half of Uniper's Clutha coal interests in New South Wales. Clutha at present produces 3.5m. tonnes of washed coal a year from 13 mines in the Sydney and Newcastle areas.

Clutha is the fourth largest black coal producer in Australia; it is also the country's second largest coal exporter. About 4m. tonnes of its production is exported to Japan.

The deal, which becomes effective on January 1, gives BP a 50% stake in the Australian coal mining in which it has been seeking an involvement for the past five years.

Like other major oil companies BP has been seeking to broaden its energy resources and interests. BP has three main diversification avenues — its petrochemicals, its New Ventures Unit which has become involved in diving activities and underwater surveying, and coal.

Coal is by far the biggest of BP's interests outside the traditional sphere of oil, chemicals, and shipping. It has, or is seeking, coal reserves in Africa, Canada, South America and Indonesia. On Wednesday, the group confirmed it would speed up its rate of investment in South Africa and would spend £250m. over the next five years, the bulk of it on the development of coal interests.

In addition BP has an interest in the American Old Ben Coal Company through its 26 per cent. stake in Sohio. Old Ben Coal has an annual output of more than 8m. tonnes.

James Forth writes from Sydney: Clutha is part of the empire of Daniel K. Ludwig, reputedly the world's richest man. The chairman of Clutha, Mr. Fred Miller, said that planned development spending over the next ten years would require at least \$A100m. (£71m.) and that to maintain production levels over the following decade a further \$A200m. would be needed.

Both Clutha and BP see the prospects of coal liquefaction and the use of coal as a chemical feedstock as one of the attractions for the deal.

They said the desirability of future Australian participation was recognised and that they had agreed to pursue this objective in due course. Mr. Miller said that this could either be through an issue of stock to the Australian public or through the entry of an Australian company. It would be two or three years before an issue could be considered.

Seamen's claim lodged
By Alan Pike, Labour Staff

SHIPPING employers yesterday received the National Union of Seamen's new claim for a package of fringe benefits with demands for "captive time" payments for the most significant benefit. The union came if all possibility of a seamen's strike is to be removed.

Captive time is the period when men are required on board ship in port but are not actually working. Although the seamen's leaders are aware that a new payment to compensate for this cannot easily be tailored to fit the present pay policy, it is a demand which the union's general secretary, said yesterday he was satisfied that the claim "in the form in which we have presented it did not breach the social contract."

The rest of the seamen's demands fall into two parts. They want claims for improved fall back pay, overseas currency allowances, travelling expenses and subsistence allowances dealt with, like captive pay, as immediately payable.

A second set of demands covering pensions, redundancy and medical severance payments should, they suggest, be the subject of future longer-term discussions.

Mr. Gordon Norris, an executive member, emerged from a 24-hour meeting at which the General Council of British Shipping declaring that captive pay was the "cornerstone" of this issue. Mr. Slater used more cautious phraseology, saying that captive pay was not a new issue and the union had told employers that they should treat this one as a priority.

The seamen's leaders will return to the employers on Tuesday morning when Mr. Slater said, he was prepared to remain in session until a final offer was reached.

Smith may meet Vorster, Kissinger at week-end

BY OUR FOREIGN STAFF

THE PROSPECT hardened yesterday of a meeting in South Africa between Dr. Henry Kissinger, the U.S. Secretary of State, Mr. Ian Smith, Rhodesian Prime Minister and Mr. John Vorster, South African Premier. Reports from Lusaka suggested that Dr. Kissinger had explained to African leaders the "precise framework" for such a meeting.

In Johannesburg the South African radio reported a "strong possibility" that it would take place at the weekend, when Dr. Kissinger is in Pretoria for talks with Mr. Vorster alone.

There was also speculation yesterday at the annual congress of Mr. Smith's ruling Rhodesian Front in Umtali, where he won a unanimous vote of confidence, that he would go to Pretoria at the weekend. The occasion of the rugby test match between New Zealand and South Africa on Saturday might provide sufficient excuse.

But U.S. officials continued to play down the likelihood of an early meeting, insisting that Mr. Smith would not be brought into negotiations until the last minute. Nor was there any confirmation from Mr. Vorster's office in Pretoria, while a Rhodesian Government spokesman said: "It is new to me. But in any case we do not announce the Prime Minister's movements in advance."

At the Rhodesian congress the party gave Mr. Smith "full backing to negotiate on its behalf for the future of all the peoples of Rhodesia." The result of the closed debate was reported by an official spokesman, who said it lasted four hours, and described it as "robust."

Mr. Smith had been under severe criticism from some sections of the party before the congress. The vote gives him a mandate to carry out any negotiations, in spite of the criticism of hardline party members that Dr. Kissinger's initiative was interference in Rhodesia's internal affairs.

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Black protest, Page 7

Continued from Page 1

Editorial comment, Page 18

Details, Page 25

Continued from Page 1

Continued from Page 1

Continued from Page 1

Continued from Page 1

Continued from Page 1

Continued from Page 1

Continued from Page 1

Continued from Page 1

Continued from Page 1

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Black protest, Page 7

Continued from Page 1

Editorial comment, Page 18

Details, Page 25

Continued from Page 1

Continued from Page 1

Continued from Page 1

Continued from Page 1

Continued from Page 1

Continued from Page 1

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Continued from Page 1

Continued from Page 1

No gold for BIS but Swiss banks buy

WASHINGTON, Sept. 16.

THE BANK for International Settlements (BIS), which is known to have bought gold at earlier auctions, was not among the successful bidders at yesterday's third sale of gold by the International Monetary Fund.

Although there were strong indications that the BIS did bid yesterday, but at a price below the bid price fixed by the Fund, this could not be confirmed. The bid price of \$108.76 was fixed only after more than an hour of discussion which ended in a vote by the directors, released a list of the 14 banks and dealers who made successful bids at or above this price. The BIS was not on it.

The IMF would not disclose how much of the 750,000 ounces of gold each bank had bought, but the list includes a number of concerns which have bought fairly large amounts in the past, including three large Swiss banks. The fact that the BIS did not put in even a bid or above the bid price may come as a surprise to some dealers, who had expected that it would enter at least one fairly high bid because of the interest of some central banks in preventing the gold from falling much further.

The IMF said that the IMF fund was still trying to persuade the Fund to hold fewer auctions in the future. The matter is likely to be discussed at the annual meeting in Manila at the end of this month.

The banks and dealers on the IMF list were: Swiss Bank Corporation, Swiss Credit Bank, Union Bank (Zurich), Johnson Matthey, Samuel Montagu, N. M. Rothschild, Deutsche Bank (NY), Dresdner Bank (Frankfurt), Bank of Montreal, Bank of America, National City Bank (NY), Republic National Bank (NY), and Shapira Pinsky (NY).

The fund said last night that bids ranged from the bid price to as high as \$114.00, and that a total of 3.6m. ounces were at or above the bid price. A single bid for 106,000 ounces was received, but a fund spokesman said this only satisfied in part. Yesterday's auction raised \$94m. for the IMF trust fund for development countries, and brought the total raised to some \$184m. The last auction raised \$64m. and the gold was sold at a common (or average) price of \$122.05.

Michael Blanden writes: Before the time when the gold price recovered with the market taking an encouraging view of the auction's results.

In London, the price reached a high point of \$115.5 an ounce before slipping on profit-taking to close at \$115.25, a gain of \$3.50 on the day.

Continued from Page 1

Continued from Page 1

Continued from Page 1

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